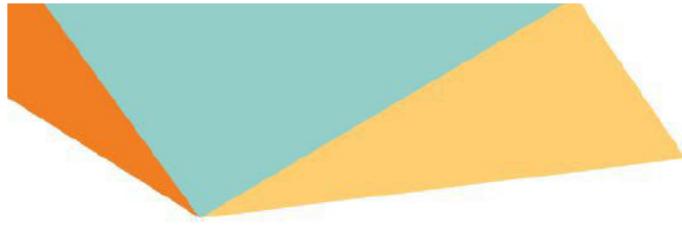


Code of Conduct



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1. INTRODUCTION

Values and standards

- 1.1 Public service values and professional standards must be at the heart of the way the Northern Ireland Audit Office (the NIAO or the Office) conducts its business. The highest standards of corporate and personal conduct are essential, based on a recognition of the Office's role in providing assurance and advice to the Northern Ireland Assembly (the Assembly) on the way government departments and many other public bodies account for and use taxpayers' money.
- 1.2 The NIAO is independent of government and differs from other professional audit bodies in that it has the additional public service duty of accountability. All public sector bodies are required to observe high standards of probity in the management of their affairs, and the Committee on Standards in Public Life has identified seven key principles which should be followed: selflessness, integrity; objectivity; accountability; openness; honesty; and leadership. The combination of professional ethics and public sector values therefore places the Office in a unique position.
- 1.3 We have four values that underpin all of our work:

Partnership: building positive open relationships based on trust and respect as the basis for how we work.

Authoritative: diligent and exemplary in our practice, upholding the highest professional and ethical standards.

Curious: tenacious, inquisitive and open-minded so that we are continuously learning and improving.

Truthful: constructively saying what needs to be said and doing what needs to be done.

In addition to our corporate values, there are three crucial public service values which must underpin the work of the NIAO:

Accountability: the NIAO must be able to stand the test of Assembly scrutiny, public judgements on propriety and professional codes of conduct.

Probity: there should be an absolute standard of honesty and integrity in handling NIAO work and resources.

Objectivity and impartiality: the Comptroller and Auditor General's (C&AG's) independence is secured in statute and we need to be objective and impartial in all our work, including accurate, fair and balanced reporting.

- 1.4 **These values matter in the NIAO. We need to apply them in order to retain our credibility with the Assembly, audited bodies and other stakeholders in our work. The success of this Code depends on a vigorous and visible application of its provisions by everyone who works in the NIAO. To this end a copy of the Code is issued to every member of staff and they**

will be asked annually to declare that they have read, understood and upheld its provisions (see 1.12 below). Failure to comply with the Code may lead to disciplinary action (see 1.5 below).

Scope and Application

- 1.5 The Code applies to all staff, including staff on fixed term and short term contracts, inward secondees and non-executives. Employment agency staff and those contracted to work for, or provide services to, the NIAO, are expected to comply with the terms of the Code. They should make declarations. In addition, all staff, including contractor and employment agency staff, are subject to and bound by the Official Secrets Acts, even after leaving the NIAO. Staff who are members of professional bodies are expected to uphold the codes of conduct of those organisations. Staff undertaking audit work must be aware that work should be carried out in accordance with the UK Financial Reporting Council's International Standard on Quality Management (ISQM), the Revised Ethical Standard 2019, International Standards on Auditing (UK) and Public Reporting and Non-Financial Audit standards as appropriate to the nature of the work. Such observance underpins compliance with the NIAO's Code of Conduct. Failure to operate within the terms of the Code may be subject to consideration under disciplinary procedures.
- 1.6 Any possible or actual breaches of NIAO independence policies and procedures should be reported to the relevant Director. Directors should evaluate such notifications in consultation with the Compliance/Ethics Partner (currently the Chief Operating Officer) and take appropriate action to eliminate threats or reduce them to an acceptable level. Any inability to resolve the matter should be reported promptly to the Compliance/Ethics Partner for action.
- 1.7 Staff should be cognisant of our vision, ***'inspiring confidence in public services through independent scrutiny based on impartial and innovative reporting'*** and should at all times endeavour to enhance the reputation of the Office.
- 1.8 In addition, staff should be familiar with the internal management and control systems which relate to their work. They should also understand the main regulations, rules and procedures which apply in the Office, as set out in the various manuals and Office Circulars and in the Northern Ireland Civil Service Staff Handbook, where applicable. Staff who are professionally qualified should also be aware of their continuous professional development obligations to ensure that they remain competent to undertake assignments, that their knowledge remains up to date in accordance with the requirements of their professional body, and that they are fit and proper persons to undertake their work. Professionally qualified staff are reminded that they should also consider their ability to comply with the professional and personal conduct requirements of their respective professional bodies.
- 1.9 While this Code is intended to provide a clear definition of responsibilities, it cannot address all the possible challenges which staff may face in their employment. This places a heavy responsibility on individual members of staff for their own conduct and behaviour.

1.10 Staff should, of course, apply common sense and careful judgement in interpreting the Code. However, there may be occasions when staff require further guidance on, or clarification of, an issue addressed in the Code, for instance:

- if they are in doubt about the application or scope of its provisions;
- if there are apparent conflicts with the requirements of professional bodies;
- if they believe that they are being required to act in a way which is illegal, improper, unethical or in breach of constitutional convention (which may involve possible maladministration) or which involves any other activity covered by the Public Interest Disclosure (NI) Order 1998); or
- If they face a fundamental issue of conscience.

In such circumstances, they should discuss the matter with their line manager, or other senior managers.

1.11 If the issue is covered by the Public Interest Disclosure (NI) Order and they remain dissatisfied, or if they believe that it would not be appropriate to consult their managers in the first instance, they should raise the matter in accordance with the Office's internal raising concerns arrangements.

1.12 This Code may be altered from time to time to take account of changed circumstances or new situations. Changes made will be notified to staff after consultation with Trade Union Side.

1.13 In order to ensure full compliance with the Code of Conduct, all non-executives and staff will be asked annually to complete a return, confirming that they have understood and upheld its provisions and declaring any external interests or activities which might potentially conflict with their position or work at the NIAO. This return is attached as an annex to this circular for information. The return is completed by staff on ESS and records of these statements will be maintained by Head of People and Organisation Development.

1.14 Staff should submit a new statement and declaration immediately if their circumstances change since their last submission. They should not wait until their next submission would normally be due. New staff will also be required to complete the return.

2. CONDUCT OF NIAO WORK

- 2.1 In order to sustain the confidence of the Assembly, audited bodies and all others with whom NIAO staff come into contact in their work, the Office and its staff must be above suspicion and beyond reproach.
- 2.2 In undertaking their NIAO audit work, staff must observe the principles outlined in (a) to (f) below which are underpinned by our vision and corporate values. In addition, professional staff must also be aware that work should be carried out in accordance with the Financial Reporting Council's International Standard on Quality Control, Ethical Standard and the International Standards on Auditing (UK).

(a) Propriety and integrity

In line with our authoritative corporate value, staff should maintain high standards of personal conduct in performing their work and in their relationships with staff of audited bodies.

Staff should make decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.

Staff should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their duties.

Staff have a duty to comply with the law, including international law and treaty obligations.

(b) Independence

In line with our vision to inspire confidence through independent scrutiny, staff need to be independent of audited bodies or other interested groups and have an unbiased attitude to the issues and topics under review. Staff must not only be independent but be seen to be so.

If colleagues become aware of any condition or relationship which could impair the independence of the NIAO or any person in a position to influence the conduct or outcome of an engagement, they should report the matter to the engagement director, or the Ethics Partner, or otherwise senior management at the earliest opportunity.

Independence may be impaired, for example, by preconceived ideas about individuals, audited bodies, projects or programmes; previous employment with the body being audited or association with its executive decisions; and personal or financial relationships which might cause conflicts of loyalties or interests. Staff should discuss and put in writing any potential conflicts of interest, including personal or domestic relationships with employees of bodies they audit, with their line manager, Head of People and Organisation Development, Director or with the NIAO Ethics Partner (currently the Chief Operating Officer) as appropriate.

Where personal relationships may call into question the independence of the NIAO's work, alternative staffing arrangements will be made.

Where staff are seconded from organisations which are audited by the NIAO, care should be taken over the allocation or routing of work, to avoid potential conflicts.

(c) Objectivity

As underpinned by our authoritative and truthful values, staff should act impartially and objectively. Opinions and reports should be influenced only by the evidence obtained and assembled in accordance with the NIAO's auditing standards. Staff should not prejudge an issue.

(d) Accuracy, fairness and balance

As underpinned by our authoritative and truthful values, work should be planned and carried out and findings reported in an accurate, fair and balanced way. Auditors should always invite audited bodies to confirm that facts are accurately and fairly stated in draft reports. Where it is necessary to investigate and report on the activities of bodies other than the audited body then the auditor should, in the interests of fairness, take reasonable steps to ensure that such third parties have an opportunity to comment on the relevant section.

Staff should be balanced and fair in exercising their powers of access to external bodies and private sector firms arising, for example, from inspection audits or the examination of contracted out work.

(e) Constructiveness

As underpinned by our truthful value, staff should adopt a constructive and positive approach to their work and relationships, including the provision of information, assurance and advice.

(f) Competence

As underpinned by our authoritative and curious corporate values, staff are expected to demonstrate professional competence and expertise in their work. They have a personal responsibility to maintain and develop themselves through the programmes of continuing professional education and personal development made available to them by relevant professional bodies and by the NIAO. Staff should strive to be tenacious and open-minded so that they are continuously learning and improving. All staff should also ensure that, in the execution of their work, they take into account new guidance contained in Audit Policy Circulars, Dear Accounting Officer letters and other relevant sources.

(g) Collaboration

In line with our partnership value, staff should work collaboratively with colleagues and stakeholders and be pro-active in developing, applying and sharing knowledge to achieve our strategic priorities. Individuals should adopt a constructive and positive approach to their work. Staff should build positive relationships based on trust and respect as a basis for how to work.

3. HANDLING DATA AND INFORMATION

- 3.1 The NIAO has access to substantial amounts of data to enable it to perform its statutory audit tasks and to support the effective internal administration of its business. This includes access to personal data relating to public servants, individual citizens and employees (prospective, current and past). The Office has a duty to respect this privileged access and to ensure that the personal information entrusted to it is safeguarded properly.
- 3.2 Staff should familiarise themselves with, and abide by, NIAO policies on information management and security.

Personal Data

- 3.3 **The General Data Protection Regulation (GDPR)** sets out the requirements for personal data processing across the UK for all public bodies, including the C&AG and the Northern Ireland Audit Office. The UK Government has incorporated the GDPR into UK law in the Data Protection Act 2018, this has been amended and merged with the requirements of the EU GDPR to form a new, UK specific data protection regime that works in a UK context following the UK exit from the EU¹. All staff must ensure that they are familiar with NIAO policies relating to all aspects of data security and take all reasonable steps to ensure the Office complies fully with the GDPR in relation to requesting, accessing, storing, transferring and destroying personal data, including that held in both electronic and physical formats.

Official Secrets Act

- 3.4 Under the Official Secrets Acts 1911 and 1989, members of staff, NIAO contractors and employment agency staff must not disclose to an unauthorised person, either orally or in writing, certain categories of information (security and intelligence, defence, international relations, foreign confidences, crime and special investigation powers) acquired through their official duties, unless they have received official permission. The Acts apply during and after a person's employment at the NIAO or during and after a person carries out work on behalf of the NIAO.
- 3.5 Staff must not disclose (either orally or in writing), beyond their proper channels of reporting, any information about audited bodies or the NIAO, which they have obtained as a result of their work.
- 3.6 Guidance on handling and processing correspondence is provided in NIAO circulars. The C&AG shall be the final arbiter about what shall or shall not be disclosed about the work of the NIAO.
- 3.7 Media queries should be referred to the Communications Team.

Social Media

- 3.8 Because of its public profile and the very nature of its work, the NIAO must be able to demonstrate the highest standards of corporate and personal conduct, including how we use social media, both from a business and personal perspective. Social

¹ The DPPEC (Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019

Media should never be used in a way that breaches any of our other policies. As at other times, all NIAO rules relating to conduct and normal standards of behaviour apply when using social media. Staff should refer to the social media policy.

Information Security

- 3.9 Staff have a duty to protect information recorded in written correspondence, documents and files and data held on computers. This applies to information obtained from audited bodies and that generated within the NIAO. For example, staff who in the course of their duties have access to confidential personnel information such as individuals' salaries must ensure that it is not disclosed to unauthorised third parties.
- 3.10 Individuals should take special care when official information is transferred between offices or office and home. Staff must take responsibility for the security of such information, particularly when it is being carried on public transport.

Unauthorised disclosures

- 3.11 The C&AG shall be the final arbiter about what shall, or shall not, be disclosed about the work of the NIAO. If individuals become aware of the unauthorised disclosure of information damaging to the interests of the NIAO, including the leaking of draft reports, they should report these matters immediately and directly to the Chief Operating Officer. These matters may be treated as misconduct.
- 3.12 The NIAO uses the Public Sector Shared Network, formerly referred to as the PublicSecure Network (PSN). All staff must therefore use the IT system in a way that protects the IT infrastructure, the information it carries and the organisations connected to it. Any infringement could invalidate the Office's IT accreditation. Staff must comply with the instructions and procedures in the NIAO Security Manual and the Office's Policies on IT Security.

Freedom of Information

- 3.13 Subject to the foregoing requirements, the Office applies the prescription of openness in the Freedom of Information Act 2000. The Act itself provides for exceptions in respect of such matters as national security and data protection; and there is specific exemption for audit bodies, though subject to a public interest test, which is balanced against prejudicing, or the likelihood of prejudicing, the Office from maintaining an effective and efficient audit process in order to hold public bodies to account.
- 3.14 To maintain consistency and compliance with both the letter and the spirit of these complex provisions, no release of information under the Act should be made without consulting the Director of Corporate Services. These should be recorded where appropriate.

4. POLITICAL ACTIVITIES

- 4.1 The C&AG is an officer of the Assembly. She is independent of the Executive and is not subject to operational or professional control by the Assembly.
- 4.2 The work of the Office impacts on a very wide range of national and local issues, which frequently attract attention in the public and political arenas.
- 4.3 In view of the status of the C&AG and the role of the NIAO, it is essential that the Office is, and is seen to be, free from political bias. Ill-considered or irresponsible comments or actions of a political nature could cause irreparable damage to the credibility of the C&AG and the Office, and their stated independence.
- 4.4 It is crucial, therefore, that staff avoid any activity which might bring into question the impartiality of the C&AG, the Office or its employees. The aim of the rules governing political activities is to allow NIAO staff the greatest possible freedom to participate in public affairs without prejudicing the impartiality of the Office. The rules are not intended to place restrictions on privately held beliefs and opinions.
- 4.5 In order to protect the impartiality and independence of the Office, both perceived and real, it is necessary to restrict the extent to which staff can participate in national and local political activities.
- 4.6 **National** political activities which may be subject to restriction include:
- candidature for the Northern Ireland Assembly, national or European Parliaments. NIAO staff cannot become members of these bodies;
 - holding, in party political organisations, offices which impinge wholly or mainly on party politics in the field of Parliament (including the Northern Ireland Assembly) or the European Parliament;
 - speaking in public on matters of national political controversy;
 - expressing views on such matters in letters to the Press, or in books, articles or leaflets, or in any other media that is in the public domain; and
 - Canvassing on behalf of a candidate for Parliament, the Assembly or the European Parliament or on behalf of a political party.
- 4.7 **Local** political activities which may be subject to restriction include:
- candidature for, or co-option to, local authorities;
 - holding, in party political organisations, offices impinging wholly or mainly on party politics in the local field;
 - speaking in public on matters of local political controversy;
 - expressing views on such matters in letters to the Press, or in books, articles or leaflets or in any other media that is in the public domain; and
 - canvassing on behalf of candidates for election to local authorities or a local political organisation.

4.8 Staff are permitted to undertake political activities as follows:

- Staff in the grade of Audit Manager and above may not engage in national political activities of any nature. They may engage in local political activities, but only with the express written permission of the Chief Operating Officer.
- Staff below the grade of Audit Manager may be permitted to engage in national and local political activities, but only with the express written permission of the Chief Operating Officer.
- Staff who are permitted to take part in politics must observe the Official Secrets Acts 1911 and 1989 and are barred from political activity while on duty or on official premises.

4.9 In seeking written permission from the Chief Operating Officer, staff should give precise details of the intended activities and the period over which the activity is likely to take place. This information will assist the Chief Operating Officer in determining whether the impartiality of the Office might be compromised. Staff who are not satisfied with the decision of the Chief Operating Officer, or any matter in connection with this Code, may appeal to the C&AG, whose decision shall be final.

4.10 If any conflict of interest or potential damage to the interests of the NIAO arises from staff involved in approved political activities, they will be required to withdraw their participation. Failure to do so may result in the Chief Operating Officer invoking disciplinary procedures.

4.11 Staff do not need permission to take part in activities organised by their trade union and it is not the intention to prevent or deter staff from taking part in such activities. Neither are these measures intended to discourage staff from participating in such public service activities as school governorships or approved non-executive directorships. The guideline in these areas, as in all other activities, is that staff should avoid any possibility that their activities might embarrass the C&AG or call into question the impartiality of the NIAO. If staff have any doubts, they should consult the Chief Operating Officer.

4.12 When political activity has been sanctioned, this should not take place in official time. Staff should not make any reference to their employment by the NIAO when speaking in public, except in situations where they are required by legislation to declare an interest.

5. CONFLICTS OF INTEREST

General

- 5.1 For those employed in the public sector it is quite likely that, from time to time, private matters will impinge on public duties. In such circumstances staff should be aware that it is not appropriate to use public position or resources to deal with private matters or to pursue private interests. Staff have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising, in a way which protects the public interest.
- 5.2 The FRC's Revised Ethical Standard 2019 (*"the Ethical Standard"*) applies to our financial audit work, and NIAO policy is to apply this standard, where it is meaningful and appropriate to do so, to all our assurance work. Anyone concerned about compliance issues should consult their line manager, the Head of People and Organisation Development, their Director or the Chief Operating Officer as appropriate if they require additional guidance.
- 5.3 In the course of their work, it is essential that staff avoid any suggestion of nepotism or favouritism in their dealings both internally with colleagues and externally with clients and other contacts. Key areas where conflicts of interest may arise internally include recruitment, promotion and staff appraisal; key areas where conflicts of interest may arise externally include tendering, contracting and outsourcing. In carrying out public business, including making public appointments, awarding contracts or recommending individuals for rewards and benefits, staff should make choices on merit.
- 5.4 Conflicts or potential conflicts of interest, whether perceived or actual, can and do arise in our work. The main areas are likely to be:
 - personal connections to audited entities and their employees;
 - internal relationships;
 - private occupations;
 - payment for private work;
 - shareholdings;
 - relationships with suppliers and consultants;
 - acceptance of gifts and benefits;
 - previous employments; and
 - Future employment and secondments.

Personal connections to audited entities and their employees

- 5.5 Individuals must consider whether they have any personal relationships or interests (e.g. business or financial interests) with an entity, or its affiliates¹, audited by the NIAO, or with persons relevant to our work and business activities, that may pose a threat, perceived or actual, to the independence of the Office. For example, individuals may become aware that a person closely associated² with them or a close family member³ is employed by, or has a business or financial interest in, an entity relevant to our work. Colleagues must disclose any such relationships in their annual Code of Conduct returns and declaration of independence for each audit/assurance assignment, or as soon as they become aware of them.
- 5.6 Individuals have an on-going responsibility to inform their line manager, the Head of People and Organisation Development, their Director or the Chief Operating Officer as appropriate, should any of the following give rise to the risk (perceived or actual) of a conflict of interest:
- being asked to work on a particular assignment;
 - performing a role, or being asked to perform a role, such as line manager or mentor to a person leading, managing or directing the audit of an audited entity or its affiliates;
 - being asked to provide advice to a team auditing the entity or its affiliates;
 - having persons closely associated with them, or close family members or others with whom they have a close personal relationship, that have any relationships with bodies they audit or those bodies' affiliates, or with employees of bodies they audit or those bodies' affiliates; or;
 - Any other circumstances in relation to their personal connections or interests.

¹ The definition of an affiliate of an audited entity can be summarised as "any entity which has direct control over or can significantly influence the audited entity; or any entity over which the audited entity has direct control or significant influence. Entities under common control are also affiliated to the audited entity."

² 'Person closely associated' is: (a) A spouse, or a partner considered to be equivalent to a spouse in accordance with national law; (b) A dependent child, in accordance with national law; (c) A relative who (at any time in the period from the start of the financial period in respect of which the engagement is being conducted to the date on which the engagement report is signed) has lived in the same household as the person with whom they are associated for at least one year; (d) A firm whose managerial responsibilities are discharged by, or which is directly or indirectly controlled by, the firm / person with whom they are associated, or by any person mentioned in (a), (b) or (c) or in which the firm or any such person has a beneficial or other substantially equivalent economic interest; (e) A trust whose managerial responsibilities are discharged by, or which is directly or indirectly controlled by, or which is set up for the benefit of, or whose economic interests are substantially equivalent to, the firm / person with whom they are associated or any person mentioned in (a), (b) or (c).

³ Close family—A non-dependent parent, child or sibling.

- 5.7 Depending on the nature of the actual or perceived conflicts, the Head of People and Organisation Development and the Chief Operating Officer will take appropriate action to ensure the independence of the Office is not compromised or perceived to be compromised.
- 5.8 Directors and covered persons¹ will be excluded from any role in which they would be a covered person, where a person closely associated with them is employed by an engagement entity in a position to exercise influence on accounting records or the financial statements. In the case of a close family member, the matter is to be reported to the engagement director or the Ethics Partner as appropriate.

Internal relationships

- 5.9 Close personal relationships may exist in the workplace. These may include, for example, close friendships or family relationships, which could give rise to a conflict of interest (actual or perceived) where one employee is in a position to exert influence over matters in relation to another employee.
- 5.10 Employees involved in any such close personal relationship should advise their line manager or Director or the Head of People and Organisation Development.

Private occupations

- 5.11 Individuals must not hold board or subcommittee positions for any NIAO audit engagement or engage in any activity which might conflict with the interests of the NIAO or be inconsistent with their position as members of the NIAO; nor, subject to certain exceptions to be agreed by the Chief Operating Officer (such as service as a Justice of the Peace, schools governorship or approved non-executive directorships), may they take part in any private occupation which would require their attendance during normal official hours.
- 5.12 No restriction is placed on other paid part-time employment or other paid activities outside official hours, provided official work does not suffer and there is no risk of giving rise to a perceived or actual conflict of interest with the Office's work or business activities or of it bringing discredit upon the Office. However, staff proposing to undertake outside employment or activity should consult the Chief Operating Officer if:
- it is employment or activity as an auditor, accountant or book-keeper;
 - It involves the use of official information or experience acquired in the course of official duties (but excluding information already in the public domain). Examples of such information range from general themes developed as a result of our work, to specific information obtained from clients. In the latter case it is most unlikely that approval would be given;
 - It is employment or activity for anybody to which the NIAO may award business or contracts; and

¹ A covered person is defined as "A person in a position to influence the conduct or outcome of the engagement".

- The working hours of the proposed employment, when aggregated with the working hours of NIAO employment, are likely to exceed 48 hours a week in line with UK Working Time Directive.

Individuals are personally responsible for any payments due to HMRC as a result of private occupations.

Payment for private work

- 5.13 Staff should consult the Chief Operating Officer if they are offered payment for work which relates to their official duties or is carried out in official time, or if they receive extra money from public funds for work outside the scope of their official duties.
- 5.14 Any fee or payment for private work must be surrendered to the Office if the preparation or execution of the work is undertaken in official time, as should fees for speeches or lectures given in an official capacity. Any travel, accommodation or meals provided in connection with such events must be normal and reasonable in the circumstances. The Office may allow staff to keep all or part of the payment if the work or preparation is undertaken in private time, or the official time is wholly or partly made up. In the latter instance, staff must obtain prior approval from the Chief Operating Officer so that arrangements can be made with the appropriate line manager. Staff also should refer to the Office policy on hospitality.
- 5.15 Staff may be permitted to write or contribute to books or articles, provided these are not related to the work of the NIAO and their content could not call into question the integrity, objectivity or impartiality of the Office or the C&AG. Such activities should be conducted entirely in the individual's own time and staff should make no reference to their employment by the NIAO. Any fee or payment for such work can be retained by the individual but must be notified to the Chief Operating Officer.

Shareholdings and other financial interests

- 5.16 Staff may hold private investments. However, neither they nor persons closely associated with them should hold or deal in shares when they are in a position to gain information through their work which might affect the value of such shares. If a shareholding might raise a question of possible conflict with the interests or independence of the NIAO staff member (or persons closely associated with them) they should not obtain shares or, if already holding them, should declare the holding immediately. Examples where conflict might arise are when an individual:
- knows of a large government contract to be placed with a public company;
 - has privileged information about a future privatisation;
 - knows of planned actions which might affect a company's prospects; or
 - Has shares in a privatised company and audits that company or the regulator.
- 5.17 The Chief Operating Officer will decide whether the individual's (or a closely associated person's) financial interest in a company might exert undue influence on his/her judgement, and will determine the

appropriate course of action. Staff should also ensure that privileged information obtained in the course of their work is, under no circumstances, imparted to colleagues, friends or relatives.

- 5.18 Under the Criminal Justice Act 1993 it is an offence if an individual *'who has information as an insider...deals in securities that are price-affected securities in relation to the information'*. An individual is also guilty of the offence of insider dealing if they encourage *'another person to deal in securities that are (whether or not that other knows it) price-affected securities in relation to the information ... or the Individual discloses the information, otherwise than in the proper performance of the functions of their employment, office or profession, to another person'*.

Relationships with suppliers and consultants

- 5.19 Contracts must be awarded on merit in fair competition against other potential suppliers, and no favouritism should be shown to businesses run by friends, partners or relatives. Staff responsible for engaging or supervising contractors with whom they may have a personal or domestic relationship should declare it to their Director. Staff should also declare any investment interests they hold with suppliers or consultants with whom they might deal. Where conflict might arise, the individual should dispose of their investment or ensure that they play no part in awarding the contract or selecting consultants.
- 5.20 When involved in employing consultants, staff must ensure that appointments are made on merit in fair competition, i.e. the assignment should be awarded to the individual or company which best meets pre-determined criteria concerning the quantity, quality and cost of the service to be provided. The NIAO policy on procurement is contained in the Procurement Manual.

Acceptance of Gifts and Benefits

- 5.21 See Section 6 of this Code of Conduct.

Previous employments

- 5.22 Where an individual who was a director or in a position to exert significant influence over an audited entity joins the NIAO, they must not act or be in a position (perceived or actual) to be able to influence the conduct or outcome of the audit of the relevant entity for a period of at least two years.

Future employment and secondments

- 5.23 Staff are required to notify immediately their line manager and the Head of People and Organisation Development where future employment with an audit client is probable e.g. when an offer is received.
- 5.24 Where a colleague is currently performing work in an audited body and is considering applying for a post in that body, they should notify at the earliest opportunity their line manager and the Head of People and Organisation Development. This should be prior to applying for the position. This information will be treated in confidence. The individual should keep these persons updated on the progress of their application, including whether it results in acceptance of a job offer.
- 5.25 For applications to a specific Department of the NI Civil

Service, the above requirement applies where a colleague is currently performing work in that Department. Where an application is made to a general NI Civil Service-wide recruitment board, such notification is not required until an offer is received which would place the colleague in the Department they are currently auditing.

- 5.26 Where an individual has given such notice that future employment with an audit client is probable, they will be removed from the audit team. Following resignation, work performed by the individual on the client's current and, where appropriate, most recent audit will be reviewed.
- 5.27 All outward secondment opportunities which may lead to a potential conflict of interest or impact on an individual's ability to carry out their audit duties on their return to the NIAO will be approved by the Ethics Partner. Any restrictions on work undertaken either while on secondment or on return to the NIAO will be agreed with the Ethics Partner and clearly documented.

6. GIFTS, HOSPITALITY, TRAVEL AND ACCOMMODATION

General

- 6.1 The NIAO engages with a variety of clients, suppliers and partner bodies in the normal course of its business and staff may be faced with occasions where gifts or hospitality are offered or provided. The overriding principle which applies in these circumstances is that offers of gifts, hospitality, entertainment or services should not be accepted where they might place, or be seen to place, the recipient under an obligation to the donor or compromise their personal or professional judgement. NIAO staff must be extremely cautious in this area and need to demonstrate that the Office and its staff are beyond reproach and above criticism.

Bribery and corruption

- 6.2 The Bribery Act 2010 aims to promote anti-bribery practices among businesses. The Act introduces four new criminal offences:
- offering, promising or giving a bribe (active bribery);
 - requesting, agreeing to receive or accepting a bribe (passive bribery);
 - bribing a foreign public official to obtain or retain business; and
 - Failure by a commercial organisation to prevent bribery by an associated person.
- 6.3 The NIAO may be liable for acts of bribery by staff and other associated persons unless it has put in place adequate procedures to prevent bribery. The Office has a zero tolerance to bribery and corruption, and such an act can lead to dismissal and prosecution.
- 6.4 The Office recognises the need for staff to engage on a business level with our clients, partners and stakeholders and accepts that in the normal course of business, some element of hospitality may be offered and may be legitimately accepted. It is not, therefore, the Office's intention to impose restrictions which would unreasonably compromise our ability to conduct our business effectively.

Gifts

- 6.5 The only gifts which NIAO staff may accept are those in the form of business items of a token value, such as calendars, mouse mats etc., or business items provided at conferences or related events, for example pens and wallets. These items need not be recorded in the Office's gifts and hospitality register. All other gifts must not be accepted, but must be recorded in the register (using the form provided in the NIAO Hospitality, Gifts and Entertainment Policy and associated guidance) and either returned to the donor organisation or, if return is not practical, surrendered to the NIAO for either:
- display by the NIAO (corporate gifts such as plaques, medals etc.); or
 - Donation to charity.

Hospitality

- 6.6 Staff are permitted to accept hospitality which is provided in the course of normal business and could reasonably be reciprocated by the NIAO. This includes working lunches or dinners, providing these cover a business agenda. The standard of hospitality should be no more than that which might reasonably be offered by the NIAO in return. All working lunches or dinners provided away from clients premises must be recorded in the gifts and hospitality register.
- 6.7 A key principle of accepting such hospitality is that there should be a balance of hospitality received and hospitality given. Staff should, therefore, be careful not to accept hospitality where an appropriate balance is not maintained.
- 6.8 Staff may also accept invitations to events where they are representing the NIAO in an official or professional capacity. This includes invitations to business dinners and events such as awards ceremonies where the NIAO has been nominated for an award, is judging an award or is acting as sponsor. In considering whether an invitation should be accepted, staff should take into account the level of attendance of NIAO colleagues to ensure that their attendance is reasonable in the circumstances. Events which include some form of entertainment can be accepted, providing the entertainment forms an intrinsic part of the event. Attendance at all such dinners, ceremonies or events must be recorded on the gifts and hospitality register.
- 6.9 Staff must not accept any invitation to any event or offer of corporate hospitality where attendance would normally be subject to payment of a fee. This includes invitations to art exhibitions, sporting or cultural events and charity dinners.

Travel and accommodation

- 6.10 Staff have a responsibility to ensure that any travel or accommodation for business purposes is reasonable in the circumstances and would not expose the individual or the NIAO to public criticism. Full details of the rules relating to travel and subsistence are contained in the NICS Staff Handbook and staff are asked to make themselves familiar with these provisions. Other than in specified defined circumstances, all travel and accommodation bookings must be made through the Office's travel management company via Corporate Services. Staff and their line managers will be responsible for judging the travel and accommodation appropriate to the particular business need, but should be mindful at all times of the need to balance issues such as safety and security with economy. Standards of travel other than economy class must be justified on the basis of business effectiveness, taking into account the length of the journey undertaken. Standards of accommodation should likewise be adequate for the purpose and reasonable to an informed external commentator.

- 6.11 Customer loyalty benefits, such as air miles, or any other benefits earned through NIAO business travel must only be used to reduce the costs of future business travel and must not be used for private purposes.
- 6.12 Staff should take particular care when accepting travel and accommodation arranged by host bodies, particularly international bodies. Itineraries should be reviewed in advance to ensure that the standards offered are compatible with NIAO standards. Provision of travel or accommodation which is of a standard significantly higher than that appropriate under NIAO rules should be reviewed and consideration should be given to requesting the host to re-arrange, subject to the availability of local provision. A similar approach should be taken where the standard of travel and accommodation offered is significantly lower than that which would normally apply.
- 6.13 Staff may request to be accompanied on visits by their spouse or partner, providing this does not inhibit their business effectiveness. Any such arrangements must be authorised by their Director in consultation with the Chief Operating Officer in advance of the travel, and the staff member must ensure that the full costs of their spouse/partner are met from their own funds.
- 6.14 Individuals must obtain prior approval from their Director for all international travel and associated work programmes. Managers should be informed of all the relevant details of a trip before it is approved, including if the individual will be accompanied by their partner or if there are plans to extend the trip beyond the time necessary for the visit's purpose. Managers should have regard to this information, and to the destination, duration and intensity of the proposed programme, in assessing the business case and motivation for the proposed travel. The overriding need is to protect the good name of the Office; and a key test of decisions by authorising managers will be that criticism of the Office is avoided or, if it occurs, can in the judgement of the C&AG, be effectively rebutted.

7. PERSONAL CONDUCT

General

- 7.1 Staff should always maintain the highest standards of personal conduct. They should ensure that they comply with all Office guidance and remain fit and proper persons to undertake the work assigned to them. Where staff are professionally qualified, they must also ensure that they comply with the requirements of their professional institute to behave with integrity, to carry out work with due skill and care and to comply with fundamental principles as laid out in their Institute membership handbooks.
- 7.2 The Office is concerned only with any private and personal activities of its staff which could impinge on the performance of their duties or risk bringing discredit to the Office. Particular difficulties may arise in the following areas, either in the course of undertaking official duties or outside the Office:
- Staff should not participate in activities which might severely damage their financial standing. Staff who become bankrupt or insolvent or who experience significant financial difficulties which could impinge on the performance of their duties or risk bringing discredit to the Office must immediately report the fact to the Chief Operating Officer. They will be required to give a full statement of their case, to establish whether their position is likely to prejudice the proper and effective performance of their duties.
 - Staff should adopt high standards of personal discipline, and avoid any forms of overindulgence or addiction which may adversely affect their conduct or impair the performance of their official duties.
 - Staff must not make use of their official position to further their private interests.
 - Staff who have any personal or domestic relationships with NIAO colleagues which may impinge on their duties and responsibilities should put this in writing to their line manager or Director or the Head of People and Organisation Development, to ensure that the allocation or routing of work avoids potential conflicts. A record of the discussion and resulting decision should be agreed and must be sent to the Chief Operating Officer.
 - Staff should inform the Chief Operating Officer in writing in the event that they are, or ever have been, refused or restricted in the right to carry on any trade, business or profession for which a specific licence, registration or other authority is required. Staff subject to a court order instigated by a regulatory body, or subject to official enquiry by a financial, professional or other business authority should also disclose this.
 - Staff should report the results of any disciplinary procedures or reprimands issued by professional bodies. Staff investigated by their institute for allegations of misconduct or malpractice should also make the existence of these investigations known to the Chief Operating Officer.

Reporting of arrests or convictions

- 7.3 Staff must inform the Chief Operating Officer if they are arrested and refused bail, or if they are convicted by a court of any criminal offence (except a traffic offence with a non-official vehicle for which the penalty does not include imprisonment or disqualification from driving). Staff are also obliged to report any civil actions to which they are subject, as a result of professional or business activities where a court has found against them.
- 7.4 Staff should also inform the Chief Operating Officer if they are subject to a judgement by a UK court about a debt, if they are declared bankrupt or served with a bankruptcy petition, or enter into compromise arrangements or trust deeds with creditors.

Use and control of public funds and assets

- 7.5 Staff should ensure that they use public assets efficiently and effectively, and do not use them for private purposes unless previously approved by the Office. This applies to the use of all Office equipment including telephones, computers and photocopiers, email and the internet. In addition, staff must comply with Office rules regarding expenses claims and imprests and the recording of absences.
- 7.6 The Office policy states that occasional personal use of the internet will be permitted between 12.00 pm and 2.00 pm for all staff. During this time, staff will be permitted to use the internet in their own time provided such use is kept to a minimum and complies in full with the internet and email policy and other NIAO policies.
- 7.7 Software is used to block sites containing inappropriate material. Inappropriate sites must not be accessed, including those relating to anything containing materials that potentially break the law or might bring the NIAO into disrepute or cause offence to clients or colleagues.
- 7.8 The Office policy on the use of email permits staff to make occasional use for personal reasons but such use should be kept to a minimum and have no adverse effect on the delivery of work objectives or interfere with the efficient operation of the e-mail system. Personal use should also be restricted to individuals or small groups and not contain large attachments. It must be marked 'Personal' on the subject box.
- 7.9 Staff should be aware that excessive personal use or a breach of the internet or email policy may lead to disciplinary action.

Prevention of Fraud

- 7.10 All staff have a personal responsibility for handling public assets with probity, but also have a responsibility for reporting immediately to their line manager, or other appropriate person, any suspected fraud by their colleagues, contractors or suppliers. Staff are reminded that NIAO has an anti-fraud policy and Fraud Response Plan.

Employee relations

- 7.11 The NIAO is subject to NI employment legislation. It aims, through its personnel policies, to comply as much with the spirit as the

letter of relevant Acts, Orders and Directives. In this respect, there are two particular areas in which staff should be aware of their responsibilities:

- **Discrimination** - staff should ensure that they do not discriminate on the grounds of religious belief, political opinion, gender including gender reassignment, sexual orientation, marital or civil partnership status, having or not having dependents, disability, race or ethnic origin and age. Pregnant women and new mothers also have protection against discrimination. Special care should be taken by those involved in functions such as recruitment and promotion, training, allocation of duties, performance appraisal.
- **Harassment** - harassment may take many forms. It can range from extreme forms such as sexual or racial violence and bullying to less obvious actions such as ignoring someone in the workplace. It may occur in the Office or, when work takes staff away from home, outside normal working hours. Whatever form it takes and wherever it arises, it puts great strains on the individual's personal and family life. It can lead to illness, absenteeism, poor performance and even resignation. All these have a significant impact on organisational effectiveness.

**Harassment will not be tolerated in the NIAO.
Every employee carries responsibility for their own
behaviour in this matter.**

7.12 Below are the agreed minimum standards of behaviour for all employees of the NIAO, which have been derived from the views of our staff. The NIAO is committed to ensuring that everyone exercises their respective responsibilities with behaviour that is consistent with these standards.

7.13 The NIAO is committed to championing the Dignity at Work framework. We are committed to demonstrating clear leadership to ensure its effective implementation, in order to create and maintain a safe and harmonious working environment which has positive open relationships based on trust and respect, as the basis for how we work.

7.14 These standards reflect our values and they should shape our everyday interactions with colleagues and clients. These standards of behaviour are for everyone who works in the NIAO. All staff are entitled to and should demonstrate:

- respect;
- trust;
- fairness;
- inclusion;
- co-operation;
- transparency;
- confidentiality;
- open communication; and
- Professionalism.

We are committed to:

- championing the standards of behaviour and leading by

- example;
- challenging inappropriate and unacceptable behaviour;
 - ensuring all complaints are taken seriously and acted upon;
 - ensuring discretion and confidentiality;
 - ensuring impartiality; and
 - Determining and tackling the root causes.

7.15 The Office's Health and Safety at Work policy makes clear that all staff have a personal responsibility, so far as is reasonably practical, both for their own health and safety at work and for ensuring that they and their colleagues do not put the health and safety of others at risk by their actions.

NIAO CODE OF CONDUCT**Statement of Agreement and Declaration of Interests**

You are required to have read and understood the NIAO Code of Conduct and to have submitted a statement that you agree to abide by its conditions and with the conditions contained in any of the documents referred to in the Code. You are also obliged to provide a statement that you have complied with these conditions since your last return or, if this is your first return that you have complied with these conditions since joining the NIAO. You must also declare any outside interests or activities which may potentially conflict with the interests or activities of the NIAO. You should submit a new statement and declaration immediately if your circumstances have changed since your last submission. You should not wait until your next submission is due.

1. I have read and understood the provisions of the NIAO Code of Conduct and have familiarised myself with other related documents referred to therein.

Yes

2. I agree to be bound by the provisions of the Code and its related documents until my next declaration or until my employment ends, whichever is sooner.

Yes

3. Do you confirm that, to the best of your knowledge, you have complied fully with the provisions of the Code and related documents since your last return or, if this is your first return, you have complied fully with the provisions of the Code applicable to you since joining the NIAO?

Yes

No

If No, please give details:

4. I understand that a breach of the rules contained in the Code and related documents may, subject to investigation, lead to disciplinary action which, in certain circumstances, could lead to dismissal and that failure to submit a return may also be treated as a disciplinary matter.

Yes

5. Do you hold any positions outside the NIAO, whether paid or unpaid, in any public or private organisation(s)?

Yes

No

If yes, please give details:

Do you receive any payment or reward from the organisation(s)?

Yes

No

If yes, please give details (e.g. amounts received, frequency of payment, etc.):

6. Do you have any interests in, or relationships with, outside organisations or personal relationships with individuals (e.g. relations who are employed by client departments) which might, to your knowledge, conflict with the work of the NIAO (you should include details of political activities, sponsorships, shareholdings or dealings etc.)?

Yes

No

If yes, please give details:

Please confirm that you have told your Director, line manager or the Chief Operating Officer about these relationships and interests and acknowledge your ongoing responsibility to inform management, should you work or be asked to work on assignments where these relationships or interests could give rise to the risk of conflict.

Yes

7. Do you have any close personal relationships with colleagues which could give rise to a conflict of interest (actual or perceived), for example in relation to staff appraisal or approval of expenses?

Yes

No

If yes, please give details:

Please confirm that you have told your Director, line manager, the Head of People and Organisation Development or the Chief Operating Officer about any such relationships.

Yes

8. Are you aware of any potential conflicts between any organisations that you have connections with and the activities and interests of the NIAO?

Yes

No

If yes, please give details:

SIGNATURE:

NAME:

DATE:

Please return this form by the date requested.