Code of Ethics

Issued under the authority of
Comptroller and Auditor General of Bangladesh

Foreword

It is with great pride and pleasure that I adopt the new Code of Ethics. The revised Code is based on International Standards of Supreme Audit Institutions (ISSAI)- 130. The ethical principles and the ethics control system in the office of the Comptroller and Auditor General (CAG) of Bangladesh are based on the best global practices.

The importance of ethics in auditing profession cannot be overstated. Auditors' business is, at least in popular perception, to find fault with others. Even though it may be far from truth, it cannot be denied that auditors- both in public and private sector- cannot be cheerleaders of the executive. It is therefore of utmost importance that those who are professional auditors, follow the principles which they preach.

The present Code of Ethics incorporates a comprehensive ethics control system in my office and mandates that the Deputy CAG, the senior-most officer in my office will act as ethics officer with clear responsibilities. I reiterate my commitment to lead by example and acknowledge that all members of my office have an important role to play to maintain the high standards of ethical behaviour in office of the Comptroller and Auditor General (OCAG) Bangladesh.

I congratulate all my staff members who have maintained high integrity in all their activities. In the years to come, we shall be able to adhere to the same rigorous standards of professional behaviour. With this new Code of Ethics, we renew our commitment to promote and safeguard the ethical values in every aspect of our organisation and its activities.

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Dhaka, Bangladesh.

Preface

The Code of Ethics is based on the International Standards of Supreme Audit Institutions- 130 and thus is consistent with the global standards. It is considered as integral part of Government Auditing Standards of Bangladesh. Recognising that ethical behaviour of all staff members are influenced by the environment they work in, the Code addresses the responsibilities of the OCAG as an organisation to promote and safeguard ethical values and principles in every aspect of the organisation and its activities.

The Code of Ethics includes an ethics control system in OCAG that describes strategies, policies and procedures to guide and manage ethical behaviour.

The Code of Ethics is a public document. Nothing in this document overrides the *Sarkari Chakri Ain 2018,* Government Servants (Discipline and Appeal) Rules 2018, Government Servants (Conduct) Rules 1979 and any other applicable acts/rules.

All staff members are expected to follow the ethical principles and behaviour described in this code. All audit engagements undertaken by OCAG will follow the code as applicable.

This code supersedes the "Code of Ethics for Government Auditors, 2001".

The narration is gender neutral. Words and expressions denoting masculine gender include feminine gender also.

Preamble

1.01   Comptroller and Auditor General of Bangladesh is the Supreme Audit Institution of Bangladesh. He derives his mandate from the Constitution of Bangladesh. His mission is to provide independent assurance to citizens, parliament and other stakeholders on optimal management of public resources for ensuring good governance and improved public service delivery through quality audit.

1.02   CAG and staff members working under his direction are held to high expectation and are fully committed to live up to the trust of stakeholders, which include citizens, members of parliament, executives and audited entities. To inspire confidence and credibility, it is imperative that Office of the CAG strives continuously to act as a model organisation. The Code of Ethics meant for all staff members reflects the belief that ethical behaviour is the key to the trust and faith of stakeholders who are served by the office.

1.03   The Code of Ethics is based on International Standards of Supreme Audit Institutions 130- Code of Ethics. Recognising that ethical behaviour of all staff members are influenced by the environment they work in, the Code addresses the responsibilities of the OCAG as an organisation to promote and safeguard ethical values and principles in every aspect of the organisation and its activities.

1.04   The Code of Ethics includes an ethics control system in OCAG that describes strategies, policies and procedures to guide and manage ethical behaviour.

1.05   OCAG recognises that ethics is more a matter of development of a value system within the organisation that encourages everyone to adopt standards of ethical behaviour in professional life. It is a continuous process. Threats and Vulnerabilities lurk in and the strength of the ethics control system is to be measured by how well these vulnerabilities are addressed collectively. The Code of Ethics is a living document. While this code is intended to provide a clear definition of responsibilities, it cannot address all the possible challenges, which the employees may face in performing their responsibilities.

The OCAG Ethical Value System

2.01   The OCAG ethical value system is based on six principles. These are:

a)   **Public Interest** is the best interests of the citizens and is the primary motivating factor for all the staff members of OCAG. Everything that OCAG does is to serve the interests of the stakeholders.

b)   **Integrity** is the quality of being honest and performing the professional responsibilities without considerations of gains or otherwise to oneself. It represents an attitude to act honestly, reliably, in good faith and in public interest.

c)   **Independence and Objectivity** signify independence of mind and of appearance. These represent an attitude to be free from circumstances that can influence or compromise or may be seen as compromising professional judgement and to act in an impartial and unbiased manner.

d)   **Competence** demands that all staff members of OCAG shall maintain knowledge and skills appropriate for their roles, act in accordance with applicable standards and with due care.

e)   **Confidentiality and Transparency** require that information are appropriately used and protected balancing with the need for transparency and accountability.

f)   **Professional behaviour** entails that all staff members of OCAG shall comply with applicable laws, regulations, standards and conventions and shall avoid any action that may bring discredit to the organisation.

2.02   Every staff member of OCAG accepts the responsibility to serve the public interest. Discharging professional duties with integrity, independence and objectivity, competence, confidentiality, transparency and professional behaviour help serving public interest and honour the trust that the Constitution and public have reposed in the institution of CAG.

2.03　　In addition to above, OCAG is committed to promote the following values among all staff members.

a)　　**Constructiveness**: The main thrust of audit being to ensure improvements in government activities, all staff should perform a constructive and positive role, which should be reflected in the audit reports.

b)　　**Perseverance**: Staff members should be polite but tenacious in carrying out audit examinations. Although always open minded, they should not be deflected from collecting and analysing the evidence needed to produce worthwhile findings and conclusions.

c)　　**Substantiation**: Staff members must be prepared to defend fully against any challenge regarding all audit findings, conclusions and observations made by them.

d)　　**Clear Communication**: The reports prepared by OCAG should be objective, balanced in content and tone, reliable, clear and persuasive.

2.04　　All staff members have a responsibility to prevent and discourage harassment at workplace. Harassment is vexatious, worrying or persistently annoying conduct. Harassment may take many forms. It can range from extreme forms such as sexual, religious violence and bullying to less obvious actions such as ignoring someone in the workplace. It may occur in the office or outside beyond normal working hours. Whatever form it takes and whenever it arises, it puts great strains on the individual's personal and family life.

2.05　　All staff members have a personal responsibility not to put the health and safety of others at risk by their actions.

Ethical culture in OCAG

3.01　　Ethics is recognised by OCAG as explicit priority and shall override any conflicting professional compulsion.

3.02　　Ethical culture is led by CAG personally and senior officers of OCAG by personal examples and by encouraging ethical behaviour among all staff members of the organisation. Ethics of OCAG as a whole is the sum of ethical behaviour of all staff members.

3.03   OCAG provides an organisational environment of non-discrimination, impartiality and fairness of treatment.

3.04   OCAG provides an open and mutual learning environment to promote ethical culture.

3.05   OCAG encourages reporting ethical misconduct of any staff member but discourages anonymous complaints and baseless allegations. Whistle blower's reports must be based on cognisable facts. OCAG shall continue to use hotline and other media to encourage whistle blowing.

3.06   OCAG undertakes to carry out ethics evaluation of the organisation at least once a year. The outcome of the evaluation will be published in its annual report.

Ethics Control System

10 Strategies of OCAG

4.01   Ethical values and culture are responsibility of everyone working in the organisation.

4.02   Tone at the top and leading by example are important strategies to promote ethical culture.

4.03   Both vertical and horizontal communication about ethical behaviour promotes positive ethical culture.

4.04   Clear, consistent and regular messages about ethical behaviour nurtures positive ethical culture.

4.05   It is necessary to increase awareness of staff members about ethical values and behaviour. One of the ways to achieve this is to improve awareness about this Code of Ethics.

4.06   Leadership engagement- both structured and informal- is an effective strategy to promote ethical behaviour among staff members.

4.07   Workshops and trainings disseminating good ethical practices improve ethical awareness and assists in resolving ethical dilemmas.

4.08   Incorporating ethics in daily working practices in OCAG and in audit engagements reinforces ethical culture.

4.09   Identifying vulnerabilities and taking prompt measures to mitigate them is sure step to maintain robust ethical culture in OCAG.

4.10   Risk assessment, self-assessment and internal and external reviews are measures that improve ethical culture in the organisation.

Ethics Control System: Policies

5.01   No staff member having an interest in an audited organisation which may affect application of professional judgement or compromise professional scepticism thereby compromising objectivity shall be allowed to be associated with audit of that organisation.

5.02   If evidence emerges that a staff member in an audit team has breached ethical behaviour, he shall immediately be withdrawn from audit work. Appropriate action shall be taken under the existing provisions of Government rules.

5.03   There should be rotation of employees in directorates.

5.04   None who has taken a loan from or has a financial interest in any of the audited organisation shall be part of any audit of the same organisation. Holding of small number of shares purchased from open market will not be considered as financial interest for the purpose of this clause.

5.05   No member of the audit team shall accept any gift or gratuities from the audited organisation.

5.06   No one will audit his own work. A staff member who has been involved in preparation of any part of the financial statements shall not audit the same financial statements.

Ethics Control System: Threats

6.01   OCAG recognises the following types of threats to compliance with the ethical principles of OCAG value system.

a)   **Personal Interest threat**: the threat that personal interest of any staff member may inappropriately influence application of professional judgement or behaviour;

b)   **Precedence threat**: the threat that a staff member may not appropriately apply professional judgement in view of an established precedence or an earlier decision taken by the organisation;

c)   **Advocacy threat**: the threat that a staff member shall promote the audited entity's or OCAG's position to the point that his objectivity will be compromised;

d)   **Familiarity threat**: the threat that due to long familiarity with the audited organisation or its personnel or any subject matter pertaining to the organisation, a staff member may not apply professional judgement in a fair manner without bias;

e)   **Intimidation threat**: the threat that a staff member may be prevented to act objectively because of pressure from the audited organisation.

Ethics Control System: Ethics Officer

7.01   The senior most Deputy Comptroller and Auditor General shall be nominated by CAG to function as Ethics Officer. His duties will include:

a)   To oversee implementation of the Ethics Control System;

b)   To undertake periodical exercise to identify and analyse threats to compliance with ethical principles and take steps to mitigate them;

c)   To address effectively any breach of ethical values;

d)   To take effective steps to protect those who report suspected ethical breaches;

e)   To take effective steps to maintain an ethical environment in the office.

Ethics Control System: Integrity- Dos and Don'ts

Dos

8.01   Maintain honesty in official dealings. Honesty is empowerment.

8.02   Act in official dealings truthfully, doing what in professional judgement, is the correct thing to do.

8.03   Maintain professional integrity by expressing what is believed to be right. Act without fear or favour. Professional judgement must be free from political bias.

8.04   Keep in mind that honesty alone gives credibility to what OCAG does and credibility is the biggest asset of any Supreme Audit Institution.

8.05   Keep personal behaviour and personal circumstance -in particular, financial circumstances- above reproach.

Don'ts

8.06   Don't accept gifts and gratuities or favours except what is allowed in Government Servants (Conduct) Rules.

8.07   Don't create personal, financial or other interests or relationships that conflicts with organisational interests of OCAG.

8.08   Don't undertake an audit engagement if there is an issue of conflict of interest at a personal level. Bring it up.

8.09   Don't disclose any information gathered during audit engagement.

8.10   Don't use organisational resources for personal gain.

8.11   Don't use official position to obtain favours or personal benefits for self or for third parties.

8.12   Don't involve in political activities, pressure groups and lobbying.

Ethics Control System: Independence and Objectivity- Dos and Don'ts

Dos

9.01   Be independent in mind and in appearance. Be free of impairments to independence and objectivity and act in an impartial and unbiased manner.

9.02   Be independent of any bias including political bias. Professional judgement should be solely the combination of knowledge, skills and experience.

9.03   Be courteous and truthful and participate in interactions. Independence and objectivity do not mean staying aloof.

9.04   Speak mind freely but cogently. Be constructive rather than censorious.

9.05   Appreciate the position taken by others.

Don'ts

9.06   Don't audit own work.

9.07   Don't take decision in circumstances where personal interests can influence decisions.

9.08   Don't audit if there is a relationship- personal or otherwise with the management. Bring it up.

9.09   Don't get involved in audited entity's decision making.

9.10   Don't accept any gift or gratuity or preferential treatment from the audited entity.

Ethics Control System: Competence- Dos and Don'ts

Dos

10.01   Perform according to applicable standards and with due care.

10.02   Continue professional education and acquire new knowledge and skills in auditing, accounting and other related disciplines.

10.03   Always remain acquainted with latest manuals and work practices.

10.04   Apply knowledge, skills and experience appropriately.

10.05   Share knowledge, skills and experience with others particularly with juniors and build competence in the organisation as a team.

Don'ts

10.06   Don't undertake an audit engagement without having the necessary knowledge, skills and experience required of the assignment. Bring it up.

10.07   Don't undertake a task without knowing fully the role and what needs to be done.

10.08   Don't pretend to know everything. Appreciate the audited entity's point of view as well.

10.09   Don't hesitate to seek help from others in a multi-disciplinary team. Don't hesitate to offer help.

10.10   Don't miss an opportunity to learn something new. OCAG is a knowledge organisation.

Ethics Control System: Professional Behaviour- Dos and Don'ts

Dos

11.01   Follow the Code of Ethics.

11.02   Comply with the laws, regulations and standards that apply to the professional assignment.

11.03   Be aware of the conflict of interests situations and act professionally, bringing it to the notice of the organisation.

11.04   Maintain courtesy and professional etiquette in dealings with audited organisations.

11.05   Be sure to remember that in all professional assignment, you are representing the OCAG. Never do anything that brings disrepute to the organisation.

Don'ts

11.06   Don't mix personal with professional behaviour.

11.07   Don't criticise own organisation before others.

11.08   Don't allow personal bias to influence professional assignment.

11.09   Don't seek any favour from the audited organisation as a quid pro quo.

11.10   Don't be negative in approach. An auditor's job is to obtain sufficient and appropriate evidence to provide assurance. The audited organisation should realise that every member of OCAG is competent, helpful and honest.

Ethics Control System: Confidentiality and Transparency- Dos and Don'ts

Dos

12.01   Be aware of the legal obligations and the provisions of the auditing standards regarding confidentiality and transparency. Be aware that most of the information that OCAG holds are third party information and OCAG has no inherent ethical right to share this information with anyone except in legitimate activities, audit reports, and other official communications.

12.02   Take steps to protect information physically. Keep papers and electronic media under lock and key and in safe conditions.

12.03   Be alert to the possibility of inadvertent disclosure of any information. Keep the confidentiality of information in mind when discussing work related issues or attending work related meetings.

12.04   Maintain confidentiality of official information in private life as well.

12.05   Be always aware of the balance between confidentiality and transparency. None of them is absolute and independent of each other.

Don'ts

12.06   Don't brag or gossip about what you know.

12.07   Don't use any official information or information that you come across during your official duties, for personal gain or gain of third parties.

12.08   Don't publish information/data except as evidence in audit reports including interim reports. Information treated as evidence should be sufficient and appropriate to support findings and conclusions.

12.09   Don't breach data privacy at any time.

12.10   Don't seek write permission on audited entity's database.

Policy of Non Retaliation

13.01   OCAG is committed to a working environment that promotes open communication in relation to ethical matters. Staff members will not face any harassment and reprisals on account of their reporting violation of any ethical code in good faith or assisting or providing evidence in any ethics related enquiry.

Conclusion

14.01   Ethics is the responsibility of every staff member of OCAG and ethical behaviour is expected from everyone without exception. Auditors advise others on deficiencies and deviations and credibility is the most important asset of the auditor and OCAG. Credibility can only be buttressed by honesty and integrity in all aspects of official and personal behaviour.

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