



CODE OF ETHICS

PUBLISHED by the KIRIBATI AUDIT OFFICE

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2. We would also like to thank the Secretary for the Public Service Office, Mr Ioataake Timeon, for his insights and comments on the Code of Conducts for the Kiribati Public Service including the National Conditions of Services.
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CHAPTER 1

Concept, Background, Scope, and Purpose of the Code of Ethics

4. The Supreme Audit Institution (SAI) Kiribati, better known as the Kiribati Audit Office (KAO), is required under Section 17 (2) of the Kiribati Audit Act 2017 to comply with the INTOSAI Code of Ethics. This is consistent with the *Lima Declaration of Guidelines on Auditing Precepts* which KAO is part of. In line with these requirements, SAI Kiribati considered it crucial to establish a Code of Ethics including its I-Kiribati translation¹ for its auditors.
5. This KAO Code of Ethics is a set of the values and principles which will guide the behavior and the execution of official daily work of the auditors. The independence, powers and responsibilities of the public sector auditor place high ethical demands on the SAI and the staff employed or engaged for audit work. A code of ethics for auditors in the public sector should consider the ethical requirements of civil servants in general and the particular requirement of auditors, including the latter's professional obligations.
6. The KAO Code of Ethics is an adoption of the INTOSAI Code of Ethics. The INTOSAI Code of Ethics should be seen as a necessary complement, reinforcing the INTOSAI Auditing Standards issued by the INTOSAI Auditing Standards Committee.
7. This Code of Ethics serves as a complement to the *Kiribati Public Service Code of Conduct (KPSCC)* and the *National Conditions of Services (NCS)* which governs the conduct of public officers.
8. The KAO Code of Ethics is directed at the individual auditor, the head of the KAO, executive officers and all individuals working for or on behalf of the KAO who are involved in audit work. However, the Code should not be interpreted as having any impact on the organizational structure of the KAO.
9. The conduct of auditors should be beyond reproach at all times and in all circumstances. Any deficiency in their professional conduct or any improper conduct in their personal life places the integrity of auditors, the SAI that they represent, and the quality and validity of their audit work in an unfavorable light, and may raise doubts about the reliability and competence of

¹ Annex I: Summary of KAO's key ethical values and principles with I-Kiribati translations

the SAI itself. The adoption and application of a code of ethics for auditors in the public sector promotes trust and confidence in the auditors and their work.

10. It is of fundamental importance that the SAI is looked upon with trust, confidence and credibility. The auditor promotes this by adopting and applying the ethical requirements of the concepts embodied in the key words: Integrity, Independence and Objectivity, Confidentiality and Competence.

Trust, Confidence and Credibility

11. The legislature (Manaeba ni Maungatabu in our Kiribati context), the general public and the audited entities are entitled to expect the SAI's conduct and approach to be above suspicion and reproach and worthy of respect and trust.
12. Auditors should conduct themselves in a manner which promotes co-operation and good relations between auditors and within the profession. The support of the profession by its members and their co-operation with one another are essential elements of professional character. The public confidence and respect which an auditor enjoys is largely the result of the cumulative accomplishments of all auditors, past and present. It is therefore in the interest of auditors, as well as that of the general public, that the auditor deals with fellow auditors in a fair and balanced way.
13. The legislature, the general public and the audited entities should be fully assured of the fairness and impartiality of all the SAI's work. It is therefore essential that there is a national Code of Ethics which governs the provisions of the services SAI/KAO provides.
14. In all parts of society there is a need for credibility. It is therefore essential that the reports and opinions of the SAI are considered to be thoroughly accurate and reliable by knowledgeable third parties.
15. All work performed by the SAI must stand the test of legislature scrutiny, public judgments on propriety, and examination against a national Code of Ethics

Chapter 2

Integrity

16. Integrity is the core value of a Code of Ethics. Auditors have a duty to adhere to high standards of behavior (e.g. honesty and candidness) in the course of their work and in their relationships whether it be personal or with the staff of audited entities. In order to sustain public confidence, the conduct of auditors should be above suspicion and reproach. This includes but is not limited to:

- Complying to the orders, regulations and general instructions issued by Government from time to time and to lawful orders of senior officers – NCS D.3;
- Maintaining a high standard of conduct and personal behaviour and to perform their duties in an efficient manner – NCS D.4; and
- Be courteous, helpful and attentive in their dealings with the Public – NSC D.6.

17. Integrity can be measured in terms of what is right and just. Integrity requires auditors to observe both the form and the spirit of auditing and ethical standards. Integrity also requires auditors to observe the principles of independence and objectivity, maintain irreproachable standards of professional conduct, make decisions with the public interest in mind, and apply absolute honesty in carrying out their work and in handling the resources of the SAI.

18. In accordance to the Kiribati Public Service Code of Conduct (KPSCC) principles, all public officers should conduct themselves as follows:

- shall not put himself/herself in a position where his/her personal interests conflict with her/his duties and responsibilities – *Conflict of Interest*;
- shall not for private purposes seek to influence any person or body by using official position or by using force or threats for the actual obtainment of money or property – *Extortion*;
- shall not corruptly asks for, solicits, receives or accept gift of any kind that could, in any way, influence or appear to influence the exercise of the employee's function and performance of duty – *Gift and Bribery*;

- shall not use the Government property, facilities, services and financial resources for private purposes except when permission is lawfully granted – *Misuse of official positions and public resources*;
- shall not knowingly present or cause to be presented to the Government a false or fraudulent claim for payment or approval or who knowingly makes or causes to be made false record in order to get a false claim by the Government – *False claims*;
- shall not do or direct to be done, in abuse of his office, any arbitrary act prejudicial to the rights of any other person knowing that such act is unlawful or contrary any government policy – *Abuse of Office*;
- shall not give certificate which is, to his knowledge, false in any material particular – *False certificates by public officers*;
- shall not favour friends, family or other close personal relations in the recruitment process, procurement, aid delivery, consular services or other situations – *Nepotism/Favouritism*;
- shall not misappropriate or otherwise divert property or funds entrusted to the government including funds that are managed by other established government committees – *Embezzlement*; and
- shall not corruptly discriminate against prospective employee or the public in respect of recruitment, training, promotion, conditions of employment or other matters for reasons as either directly or indirectly due to: race, colour, social class, disability, sex, pregnancy, marital status, age, religion or political opinion – *Discrimination*.

19. The high level of integrity shall transcend throughout the officer's public service life.

Chapter 3

Independence, Objectivity and Impartiality

20. Independence from the audited entity and other outside interest groups is indispensable for auditors. This implies that auditors should behave in a way that increases, or in no way diminishes, their independence.
21. Auditors should strive not only to be independent of audited entities and other interested groups, but also to be objective in dealing with the issues and topics under review.
22. It is essential that auditors are independent and impartial, not only in fact but also in appearance.
23. In all matters relating to the audit work, the independence of auditors should not be impaired by personal or external interests. Independence may be impaired, for example, by external pressure or influence on auditors; prejudices held by auditors about individuals, audited entities, projects or programmes; recent previous employment with the audited entity; or personal or financial dealings which might cause conflicts of loyalties or of interests. Auditors have an obligation to refrain from becoming involved in all matters in which they have a vested interest.
24. There is a need for objectivity and impartiality in all work conducted by auditors, particularly in their reports, which should be accurate and objective. Conclusions in opinions and reports should, therefore, be based exclusively on evidence obtained and assembled in accordance with the SAI's auditing standards.
25. Auditors should make use of information brought forward by the audited entity and other parties. This information is to be taken into account in the opinions expressed by the auditors in an impartial way. The auditor should also gather information about the views of the audited entity and other parties. However, the auditors' own conclusions should not be affected by such views.

Political neutrality

26. It is important to maintain both the actual and perceived political neutrality of the SAI. Therefore, it is important that auditors maintain their independence from political influence in order to discharge their audit responsibilities in an impartial way. This is relevant for auditors since SAIs work closely with the legislative authorities, the executive or other government entity empowered by law to consider the SAI's reports.
27. An auditor should not run for office as a candidate in any National or Municipal election, participate actively on behalf of any party or candidate in any National or Municipal election or accept appointment or election, whether paid or unpaid, as an officer of a political party

Conflicts of interest

28. When auditors are permitted to provide advice or services other than audit to an audited entity, care should be taken that these services do not lead to a conflict of interest. In particular, auditors should ensure that such advice or services do not include management responsibilities or powers, which must remain firmly with the management of the audited entity.
29. Auditors should protect their independence and avoid any possible conflict of interest by refusing gifts or gratuities which could influence or be perceived as influencing their independence and integrity.
30. Auditors should avoid all relationships with managers and staff in the audited entity and other parties which may influence, compromise or threaten the ability of auditors to act and be seen to be acting independently.
31. Auditors should not use their official position for private purposes and should avoid relationships which involve the risk of corruption or which may raise doubts about their objectivity and independence.
32. Auditors should not use information received in the performance of their duties as a means of securing personal benefit for themselves or for others. Neither should they divulge information which would provide unfair or unreasonable advantage to other individuals or organizations, nor should they use such information as a means for harming others.

CHAPTER 4

Professional Secrecy

33. Auditors should not disclose information obtained in the auditing process to *third parties*², either orally or in writing, through any *medium*³ except for the purposes of meeting the SAI's statutory or other identified responsibilities as part of the SAI's normal procedures or in accordance with relevant laws.

² *Third parties* – a person or group besides the two primarily involved in the situation

³ *Medium* – Social networks, electronic communication devices (cell phones or emails), any other medium of communication

Chapter 5

Competence

- 34. Auditors have a duty to conduct themselves in a professional manner at all times and to apply high professional standards in carrying out their work to enable them to perform their duties competently and with impartiality.
- 35. Auditors must not undertake work they are not competent to perform.
- 36. Auditors should know and follow applicable auditing, accounting, and financial management standards, policies, procedures and practices. Likewise, they must possess a good understanding of the constitutional, legal and institutional principles and standards governing the operations of the audited entity.

Professional Development

- 37. Auditors should exercise due professional care in conducting and supervising the audit and in preparing related reports.
- 38. Auditors should use methods and practices of the highest possible quality in their audits. In the conduct of the audit and the issue of reports, auditors have a duty to adhere to basic postulates and generally accepted auditing standards.
- 39. Auditors have a continuous obligation to update and improve the skills required for the discharge of their professional responsibilities.

Annex I: Summary of KAO's key ethical values and principles with I-Kiribati translations

Table 1: Provides an I-Kiribati translation of KAO's key ethical values and principles

<u>KAO Ethical Values & Principles</u>	<u>Key messages/points</u>	<u>I-Kiribati translation</u>	<u>Links to the Kiribati Public Service Code of Conduct (KPSCC) Principles</u>
<u>Integrity</u>	<ul style="list-style-type: none"> Adhere to high standards of behavior (e.g. honesty and candidness) Conduct of auditors should be above suspicion and reproach Upholding all ethical principles of: <i><u>Independence + Objectivity & Impartiality + Political Neutrality + Conflict of Interest + Secrecy + Competence + Professional Development</u></i> 	<ul style="list-style-type: none"> Bwaina te eti ma te koaua, ao te ninikoria; E riai n aki kararaoma ke ni kananououa ao ni waewaeaki, anuan ma ana mwakuri te oteta; ao Irakin/kakoroan nanon kanoan taian kaetieti ae te KAO Code of Ethics inanon te kakaonimaki, te eti, ao te koaua; 	<ul style="list-style-type: none"> P1 to P10
<u>Independence</u>	<ul style="list-style-type: none"> Independence from the audited entity and other outside interest groups; Behave in a way that increase auditors independence; Independence both in fact and appearance; Objectivity in dealing with issues and topics under review; Refrain from involving in matters in which they have a vested interest; 	<ul style="list-style-type: none"> Te aki rekereke ma te rabwata are otetanaki ao rabwata ake iai rekeia ma te rabwata are otetanaki; Waki inanon katei ma aroaro aika karikirakea inaomatan te oteta; Te aki irekereke n te koaua ao n te nonori; Katuruturuan koaua aika noraki inanon rinanoan taian kanganga ma itera ni kakae aika karaoaki; Kararoakin bwaai/mwakuri ake iai rekerekem iai. 	<ul style="list-style-type: none"> P1: Conflict of Interest; and P3: Gift and bribery
<u>Objectivity & Impartiality</u>	<ul style="list-style-type: none"> Reports by auditors should be accurate and objective; Conclusions in opinions, particularly in reports, should be based exclusively on evidence and assembled in accordance with the SAI's 	<ul style="list-style-type: none"> Ana riboti te Oteta a riai n eti, ni koaua ao n oioi; Kabanea n iango iaon te ribooti a riai n oioi iaon taian kukune aika iai koauaia, ao a riai ni katauraaki n rinanon taian kaetieti aika a kinaki iaon te tutuo; 	<ul style="list-style-type: none"> P5: False claims; P7: False certification by public officers; P10: Discrimination

	<p>auditing standards (ISSAI for Kiribati);</p> <ul style="list-style-type: none"> Information brought forward by the audited entity and other parties must be considered by the auditor impartially. 	<ul style="list-style-type: none"> Rongorongon n raka man te rabwata are e tuoaki ke rabwata riki tabeua, a riai n rinanoaki n te aro ae aki tabeitera. 	
<u>Political neutrality</u>	<ul style="list-style-type: none"> Maintain both the actual and perceived political neutrality; Independence from political influence to discharge audit responsibilities in an impartial way; When undertaking political activities, bear in mind the impact of such involvement might have, or be seen to have, on the audit. e.g., these activities may lead to a professional conflicts. 	<ul style="list-style-type: none"> Kamatoan kakoauakira ao taraakiraa bwa ti aki rekereke ma te politics ke waki n tautaeka ao batei ake a boutoka ke a kaitara te tautaeka; Te aki kabaeaki ke n eenaki irouia batei ni kairiri ke n tautaeka teuana ma teuana ngkana ti karaoa ara mwakuri n tutuo; Ngkana e rekereke ara mwakuri n tutuo ma te politics ke waki ni kairiri ao n tautaeka ao ti riai n atai kanganga ake a na kona n roota tarakin inaomatara ni karaoan ara beku. 	<ul style="list-style-type: none"> P1: Conflict of Interest; P10: Discrimination
<u>Conflict of Interest</u>	<ul style="list-style-type: none"> For advice and services other than audit to an audited entity, auditors should ensure that such advice or services do not include management responsibilities or powers, which must remain firmly with the management of the audited entity; Auditors should protect their independence and avoid any possible conflict of interest by refusing gifts or gratuities which could influence or be perceived as influencing their independence and integrity; avoid all relationships with managers and staff in the audited entity and other parties which may influence, compromise or 	<ul style="list-style-type: none"> ibukin karaoan mwakuri riki tabeua irarikin te tutuo nakon te rabwata are e tuoaki, ao e riai n taraia te oteta bwa akea rekereken mwakuri akanne ma tibwangan ke tabeia taan kairiri nte rabwata are e otetanaki; A riai oteta ni kawakina ao ni kamanoa inaomataia n aki butimaai ao n totokoi taian bwai-n-tangira n aekaia nako mai iroun te rabwata are e tuoaki; A riai oteta n teiararoa mai rouia taan mwakuri ao taan kairiri n te rabwata are e tuoaki ke botaki riki tabeua 	<ul style="list-style-type: none"> P1: Conflict of Interest; P3: Gift and bribery P8: Nepotism or Favoritism

	<p>threaten the ability of auditors to act and be seen to be acting independently;</p> <ul style="list-style-type: none"> Auditors are obliged to solemnly declare any conflict of interest by signing a declaration form in the presence of a representative from appropriate authority. 	<p>ake a kona n rota ke ni kabua aia kona ni karaoa aia tutuo ma te inaomata ni koaua;</p> <ul style="list-style-type: none"> Kabaeia ana Oteta te tautaeke ba a na riai n kaoti angabuaka nakon nakoia rinanon tiainakin te booma imatan temanna are onimakinaki n aei. 	
<u>Abuse of office</u>	<ul style="list-style-type: none"> Should not use official position for private purposes; Should not use Government property, facilities, services and financial resources for private purposes; Avoid relationships which involve the risk of corruption or which may raise doubts about auditors' objectivity and independence; Should not use information received or obtained during auditing as a means of securing personal benefit or for others; Don't use or disclose information received or obtained during the audit which would provide unfair or unreasonable advantage to other individual or organizations; Don't use or disclose information received or obtained during the audit as a means of harming others. 	<ul style="list-style-type: none"> E riai te Oteta n aki kabongana nakoana ibukin oin kabwaiana; E riai n aki kabonganai bwain te tautaeke, bwaai ni makuri, taian tiaweti ma mwane ibukin oin kabwaiana, Kararoai aro n reitaki ma waaki ni kamangao ao n aonikai ake a na roota onimakinam inanon karaoan am tutuo; Aki kabonganaan rongorongo aika ko karekei man te mwakuri n oteta ibukin karekean kabwaiam ke kabwaiaia tabemaang; Aki kabonganan ke kaotinakoan rongorongo aika a reke man te mwakuri n oteta ake a na kona n kamwinibaia keni karaka reken aroia tabeman ke botaki tabeua; Aki kabonganaan ao kaotinakoan rongorongo aika a reke man te mwakuri n oteta ake a na kona n karawawataia tabeman ke botaki tabeua; 	<ul style="list-style-type: none"> P2: Extortion; and P4: Misuse of official positions and public resources; P5: False Claims P6: Abuse of Office; P9: Embezzlement
<u>Professional Secrecy</u>	<ul style="list-style-type: none"> should not disclose information obtained in the auditing process to third parties, either orally or in writing, except for the purposes of meeting the SAI's statutory obligations; 	<ul style="list-style-type: none"> Aki kaotinakoan rongorongo ake a reke inanon karaoan te tutuo nakoia rabwata riki tabeua i tinanikun te rabwata are e otetanaki, tii ngkana e kabaeaki te oteta iaan te tua. 	<ul style="list-style-type: none"> P2: Extortion; P6: Abuse of Office;

<u>Competence</u>	<ul style="list-style-type: none"> • should conduct themselves in a professional manner⁴ at all times; • should apply high professional standards in carrying out their work; • must not undertake work they are not competent to perform; • should know and follow applicable auditing, accounting, and financial management standards, policies, procedures and practices; • must possess a good understanding of the constitutional, legal and institutional principles and standards governing the operations of the audited entity. 	<ul style="list-style-type: none"> • A riai n rabakau ao ni mwaatai n te mwakuri n oteta ni kaineti ma kainibaire aika kinaki ao ni bwainaki iaon te tutuo/oteta; • A riai ni kabonganai ao ni waki inanon kaetieti ma tua aika kinaaki ni kaineti ma 'aroaron, ma katein, ao anuan' te Oteta; • A riai ni aki karaoi mwakuri n tutuo iaon itera ake a kakoauai bwa aki mwaatai ni karaoi; • A riai n atai ao irii kainibaire aika riai n irekereke ma te tutuo, karaoan te akaunti, tuan ma kaetieti iaon kamanenaan te mwane; • A riai n atai tuan te Aba n aron te Tua ae Maungatabu ao tua riki tabeua ma taian kainibaire aika e mwakuri ma ngaai te rabwata are otetanaki. 	<ul style="list-style-type: none"> •
<u>Professional Development</u>	<ul style="list-style-type: none"> • should exercise due professional care, meaning <i>'care and skill expected of a reasonably prudent and competent auditor in similar circumstances'</i>; • should use methods and practices of the highest possible quality in their audits; • adhere to basic postulates and generally accepted auditing standards (ISSAI) when conducting the audit and issue reports; • should continue updating and improving their skills required for the discharge of their professional responsibilities 	<ul style="list-style-type: none"> • A riai ni karaoa raoi aia mwakuri ma te karaarau ao te rabakau n aron ae kantaningaaki iroun ae mwaatai ni karaoan te mwakuri n oteta n te tai teuana ma teuana; • A riai ni kamanenai rabakau ma waaki aika a rianako tamaroia inanon karaoan te makuri n oteta; • A riai n irii kainibaire aika bwainaki ao a kinaki (ISSAI) iaon te mwakuri n tutuo ao karaoan ribooti; • E riai n aki toki <i>aia</i> reirei iaon reitakin ao karikirakean rabakauia aika a kainnanoi ibukin karaoan tabeia inanon aia mwakuri n oteta. 	<ul style="list-style-type: none"> •

⁴ **Professional manner** means that the person performing the services will possess the skill and competence consistent with the prevailing business standards in the industry (in this case, the Auditing Profession)

