

ديوان المحاسبة

State Audit Bureau

Since 1964 م.ذ.ع.م . Kuwait



SAB Code of Ethics

October 2018

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 **Introduction**

The State Audit Bureau bears the huge responsibility of leading by example through presenting a high-standard work that is distinguished by trust and high credibility to establish good reputation and win the confident of all stakeholders. Ethical conduct is considered a major element in maintaining the required trust, credibility, and reputation¹. It is also known to be a substantial pillar that makes supreme audit institutions.

Ethics may be defined plainly as a set of values and principles that the staff in an institution may resort to as a reference in their personal conduct and career path.

The first documentation on ethics was published by the International Organization of Supreme Audit Institutions (INTOSAI) and has been adopted in the XVI INCOSAI 1998 congress in Uruguay. The PSC Steering Committee agreed in June 2013 during its Stockholm meeting on the necessity of applying evaluative procedures to identify the efficiency of the current code of ethics or the need to apply amendments to guarantee its suitability with the current audit environment in the public sector. After the evaluations and application of the required amendments, the updated guide was approved consensually during the XXII INCOSAI congress held in UAE in December 2016.

The amendments applied to the updated version may be summed up as the addition of SAI's responsibilities along with the roles of all its employees. The amendment aimed at stressing the importance of SAI's duties in terms of ethics along with their

¹ According to what is stated within ISSAI 30.

alignment with the INTOSAI Code of Ethics (ISSAI 30) and the IESBA Code of Ethics.²

The philosophy of SAB's 2016-2020 strategy confirmed that its work is to be a model of reference for the institutional performance corresponding to high-quality professional and ethical standards, and maintaining optimal transparency and credibility. Therefore, it has been necessary to update the Code of Ethics for the audit profession in the State Audit Bureau that was issued in 2007 to keep up with the changes and developments in the field of governance and professional ethics.

The new edition of the Code of Ethics consists of four chapters: the first chapter addresses the values of professional conduct and work ethics and the risks of not embracing them along with the responsibilities of SAB and its staff towards such values. The second chapter revolves around a number of general restrictions and controls relevant to dealing with media. The third chapter discusses the policies and reporting procedures for violations and complaints. Lastly, the fourth chapter displays relevant sanctions.

The Code also includes an acknowledgement form to define the consent of SAB in complying with the Code of Ethics. Each employee is to fill and sign this form. There is also a reporting form enclosed to report any violation or inconsistency with the articles presented in the Code.

Allah is the arbiter of success

² International Ethics Standards Board of Accountants

Purpose of the Code

1. Elevating the level of SAB staff professional performance and improve the quality of the outcomes presented to the stakeholders to enhance their trust in such outcomes.
2. This Code is a comprehensive reference of the values and principles that steer the daily tasks carried out by SAB staff. It is important to take into consideration that the code of ethics represents a minimum level of what they should comply with when performing their duties.

Scope of the Code's Guidelines and Directions

These guidelines and directions apply to **all SAB staff members**, including leaderships, supervisors, and executive management along with the entire individual staff who are working directly or by contracts. All of the abovementioned individuals should adhere to the stated values and are to be held accountable in case of any violation of what has been stated within this Code.

Chapter 1

The Values of Professional Conduct and Work Ethics

The code of conduct values include the general method structures of the code of behavior, description of the general responsibilities of the senior management and SAB staff as well. It also states the risks of non-compliance with the values of professional conduct, and defines suitable controls to limit the immoral behavior.

Code of conducts and code of ethics values consist of five major values with special guiding principles for each of them as follows:

First: Integrity

Integrity is to work with trustiness, honesty, and goodwill, whereas SAB employees should practice the responsibilities, use authorities, information, and the available resources for the benefit of public interest only.

Key risks:

- Accept gifts, in kind and cash advantages given to them by virtue of their jobs.
- Take advantage of the authority to gain personal interests or benefits.
- Utilize public funds and properties for personal benefits or interests.
- The situation where the employee's opinion is affected due to personal, material or moral interest relate to him personally ,to one of his relatives, or friends, or when his performance of the tasks and responsibilities assigned with is influenced by personal direct or indirect considerations.

Responsibility of SAB Staff

All employees should avoid suspicions, and never participate inappropriate activity that expose them to risks in breach of the integrity requirements such as:

1. Acceptance of gifts , in-kind and cash advantages

All SAB staff are prohibited from accepting or demanding any type of gifts, services, hosting, or other advantages for themselves, or to every person in relation with him. This includes the following items:

- 1.1 Cash funds and in- kind advantages or its equivalent such as pay and gifts cards, facilities and discounts.
- 1.2 All kinds of free services including conferences, seminars, training programs, travel tickets, and treatment services.
- 1.3 All that is provided to SAB employees as a courtesy or endearment nevertheless of its financial or moral value.

SAB employees may accept gifts that are offered to them during official visits, reception of SAB guests that are required by courtesy rules, visits and meetings protocols. Nevertheless, the following points should be considered:

- Acceptance of cash gifts and similar things is prohibited.
- The accepted gift in terms of its material and moral value is what is commonly accepted in such occasions.

In all cases, all of gifts should be disclosed to a committee formed according to SAB A/President decision no. 297/2017 on rules of staff acceptance of gifts and services provided to them by virtue of their jobs.

2. Freedom from conflict of interest

Conflict of interest³ is defined, as a case whereas the employee has a benefit, material, or moral interest that entirely or proportionally conflicts with what his position or job requires in terms of integrity, independence, public fund protection, or that may be a cause for illegal profit for himself or others.

Therefore, SAB employees' behavior should be a way from suspicion, a source for trust and respect. They should stay away from whatever impact their capabilities to perform their duties and responsibilities objectively, honestly, and impartially and according to the following points:

2.1 In case it was possible for one of SAB employees, or one of his family members up to the fourth grade relatives to benefit personally from the entities subject to SAB audit(or any other contracted entities), or to establish relations outside the official work scope with officials from the said entities. SAB employee should then be apart from practicing any audit role on the entity subject to audit, and avoid being part in any decision related to the entity's contract with SAB.

³ According to Article (1) of Law no.13/2018 in relation to conflict of interests' prevention.

- 2.2 Disclosure of personal, financial, other interests or relations that contradict with SAB interests.
- 2.3 Disclosure of any relative relation up to the fourth grade, friendships, connections, or interests that might be with the entity the employee is dealing with or mandated to audit. Officials have the right to issue the exemption decision, the audit task continuity, or shift to another audit team.
- 2.4 Comply with any final decision in relation to non-participation in taking of a decision, or depriving himself from personal interests, and any other procedures to avoid conflict of interests.

The provisions relating to the disclosure of conflict of interests stated in the following laws should be complied with:

- Law No.49/2016 on public tenders (Article.82).
- Law No.13/2018 on the prohibition of conflict of interests.
- Law No.7/2010 on the Establishment of the Capital Markets Authority and Regulating Securities Activities and its Amendments (chapter10).

3. Respect of public properties and funds

Public properties and funds have great respect that requires protection, and maintenance, therefore, SAB auditors should comply with the following point:

- 3.1 Maintain their custodies as stated in the Administrative Circular no. 6/2013 on State Audit Bureau property protection.

- 3.2 Utilize the office properties and tools for work purposes only, any use of them for personal interest is considered as infringement of public law and funds.
- 3.3 Employees responsible for the financial management works such as procurement and sell of goods and services, should comply with attaining the best goods and services against the funds expended without seeking any personal interest⁴.

Responsibility of SAB in enhancing integrity:

SAB's senior management has great responsibility in enhancing integrity values through the following points:

1. Work and behave as a symbol.
2. Encourage employees to comply with integrity and help them on that.
3. Know cases related to integrity, and guiding SAB employees on such issues. Like for example methods to attain advice, or report concerns or doubts regarding any integrity breaches.
4. Share and transfer experiences to their subordinates through the participation in trainings, meetings, and events to enhance the integrity culture, and go in line with the risks' updates.
5. Define a management unit or a consultant responsible for codes of ethics and conduct to offer advice and respond to the integrity breaches in the suitable time and manner.
6. Set out an automated system to document and follow up interests and gifts.
7. Provide needs, materials, and the required documents for employees to perform their job sufficiently.

⁴ Civil Service Commission Circular No.11/2012 on compliance with the directives and guidelines for the conduct of government bodies' staff, page 5.

Second: Independence, Objectivity and Impartiality

The State of Kuwait Constitution, the State Audit Bureau establishment law no.30/1964 and its amendments guaranteed independency for SAB and its staff. The said is proven in the regulated relations between SAB and the legislative and executive authorities. It also ensured the judicial guarantees, which support the audit work in its various forms without the interference of any other authority.

Independency is a state of thinking that permits providing an opinion without being subject to any influences that may affect its professional opinion impartiality, which enables the individuals of acting righteously as well as practice objectivity away from questioning⁵.

Key Risks:

- Inappropriate biasness to provisions and opinions with no proof or evidence.
- Building close relations with stakeholders.
- Political influences and external pressures from the entities subject to audit or any other parties⁶.

⁵ Code of Ethics for Professional Accountants.

⁶ ISSAI 30- Code of Ethics, page 5.

Responsibility of SAB Staff:

In order to perform their tasks in a bias and impartial manner, away from any influences affecting their professional performance, SAB staff should avoid anything that would affect their professional opinion or expose them to risks related to their independence, objectivity and impartiality. The following items illustrate the aforementioned:

1. Objectivity and Impartiality :

- 1.1 The employee must take into account justice and equality in taking any decision and while dealing with colleagues, superiors, or stakeholders, regardless of gender, nationality, religion or other personal characteristics⁷.
- 1.2 The auditor should not be subject to the influence imposed by any officials or employees of the entity subject to audit.
- 1.3 Avoid conditions in which the employee`s decision may be affected by a personal material or immaterial interest.
- 1.4 Give the entity subject to audit the right to provide honest opinions regarding any remarks and violations resulting from the audit and inspection works while taking into account impartiality without prejudice to persons or entities.
- 1.5 The auditors should practice the audit process with high professionalism, away from the desire to catch errors and violations.

⁷ The Civil Services Commission Circular No. 11 / 2012 regarding the instructions and guidelines of conduct for the government entities staff, page 4.

- 1.6 Opinions and reports should be based on proofs of evidence obtained in accordance to the State Audit Bureau audit standards and guidelines to be objective and accurate.
- 1.7 Submit remarks, violations, risks and the reasons causing them as well as providing the recommendations and suggestions to tackle and avoid them in the future as much as possible.

2. The relation with the entities subject to audit :

- 2.1 The employee should not use his/her functional status or seize his/her job as an auditor of the State Audit Bureau on the entities subject to audit while performing any operation or review in order to procedure with personal dealings.
- 2.2 Not to participate in decision making or managing the work at any of the entities subject to audit⁸.
- 2.3 Avoid any conditions and relations that may affect the auditor`s impartiality in taking decisions.
- 2.4 The auditor should avoid working for the entity subject to audit or seeking a job for the husband, wife, children or relatives in the said entity.
- 2.5 Avoid nominating individuals to obtain a job in the entity subject to audit or impose any influences on the entity`s selection of the nominees.

⁸ ISSAI 30- Code of Ethics, page 13.

3. Practice different activities , affiliation to Public Benefit Associations or any Political Orientation :

To maintain the State Audit Bureau (SAB) independency and reputation, as well as earn the trust of the stakeholders by submitting credible and reliable reports, SAB auditors should adhere to the following:

- 3.1 Identify the possible risks and threats, which may influence their independence or impartiality and disclose them to the direct official.
- 3.2 Not to work for any entity, organization or individual in return or in exchange for a fee, without obtaining the prior approval of SAB`s competent authority.
- 3.3 Auditors should not be involved in any inappropriate activity, avoid any specious acts and behave at all circumstances away from any deficiencies.
- 3.4 Not to join any of the societies , organizations , or prohibited bodies inside or outside the State of Kuwait .
- 3.5 Freedom from political, social, religious or sectarian/ethnic prejudice so as not to affect SAB`s reputation and credibility.

The State Audit Bureau (SAB) also encourages its staff to join the licensed professional association, such as the Kuwait Accountants and Auditors Association with notice to SAB.

SAB responsibility in strengthening independency, impartiality and objectivity:

1. Provide the appropriate guidance and training for the SAB`s staff in the areas concerning professional conduct.
2. Adopt preventive policies and decisions that guarantee the safety of the employees.
3. Take into account that the auditor should not continue to audit the said entity for more than three consecutive years, with a maximum of five years excluding the fourth and fifth years, if so is required for the interest of work, while considering the size and nature of work at the said entity and the number of the team members.
4. Take into consideration that the transitional time duration between the enrollment of experienced employees in the State Audit Bureau and their audit on the said entity should not be less than two consecutive years.
5. Not to provide any consultative services or other services for the entity subject to audit outside of the audit scope.
6. Provide help for the employee exposed to any external pressures or influences that may affect his independency.

Third: Professional Competence

Professional Competence refers to obtaining and maintaining the appropriate skills and knowledge, acting in accordance to the approved standards and exercise the required professional diligence. Thereof, SAB staff should avoid any risks.

Key Risks:

- Audit risks increasing ratios⁹.
- Auditor's poor technical levels.
- SAB's outcomes poor quality.
- Stakeholders mistrust in SAB's work.
- Non-compliance to the international standards and guidelines.

Responsibility of SAB Staff:

The State Audit Bureau (SAB) staff should perform some matters to avoid the aforementioned risks, which are listed below:

1. Exercise the required professional diligence through :

- 1.1 Perform the work with high professionalism using the optimum capabilities; adhere to the time allowed to perform the tasks in line with the official's guidelines, rules and decisions in force.

⁹ Audit Risks are defined as risks that lead the auditor to express an inappropriate opinion due to substantial errors in the financial data. Audit General Manual – P: 34, 150 .

- 1.2 Act in accordance to the professional requirements with diligence, accuracy and in the proper time while paying special attention to prioritizing the work and tasks.
- 1.3 Adequate understanding of the tasks to be carried out.
- 1.4 Exercise the required professional diligence while performing the tasks and reporting.
- 1.5 Capability to perform the work among a group holding a variety skills and situations based on the requirements of the undertaken job or task.
- 1.6 Knowledge of technical , professional , ethical standards that must be followed, such as :
 - SAB establishment law no. 30/1964 and its amendments.
 - State's laws that are relevant to SAB functions.
 - Constitutional, legal, and institutional principles and standards governing the functions of the auditee.
 - Manuals, decisions, circulars, and guidelines issued by the competent authority in SAB.
 - Control standards issued by INTOSAI.
 - International standards issued by the International Federation of Accountants (IFA).

In the case of an ambiguity, uncertainty, or confusion in the interpretation of any rule or law, relevant advice and guidance shall be sought.

2. Continuing Professional Education (CPE):

Continuing Professional Education refers to maintaining and developing knowledge and skills of the employees to keep up with professional developments and perform their tasks optimally. This can be achieved through¹⁰:

- 2.1 Participating in relevant training programs, scientific meetings, seminars, and workshops.
- 2.2 Actively participating in discussions and presenting proposals and remarks.
- 2.3 Preparing scientific research papers and participating in local, regional and international competitions.
- 2.4 Contributing articles and research papers to professional journals.
- 2.5 If their expertise is irrelevant or insufficient to carry out a specific task, SAB staff must transparently declare such aspects to their superiors or the responsible management in order to take the necessary action and ensure completeness of this task.
- 2.6 Devoting attention to training and self-development via e-learning.

Responsibility of SAB in promoting professional competence

The top management of SAB is responsible for enhancing stakeholders' confidence and promoting its employees to work more effectively. Such responsibility involves the following:

¹⁰ ISSAI 30- Code of Ethics, page 18.

1. Developing competency-based recruitment and human resources policies.
2. Assigning taskforces that possess the needed expertise for each task according to their qualifications and capacities. Their specifications shall be clear and the roles and responsibilities are defined, while providing appropriate support when necessary.
3. Monitoring the progress of audit activities and the commitment to technical, professional and ethical standards to be followed.
4. Providing the necessary tools for enhancing knowledge and information sharing (i.e. training programs, information center, portal....), and promoting the utilization of such tools by the staff.
5. Addressing challenges arising from changes in the working environment.
6. Allocating sufficient time to allow subordinates to discuss remarks and understand significant work issues.
7. Continuing Professional Development (CPD): developing professional competence and creating an ongoing learning environment that would support the employees in improving their competence. This can be achieved through:
 - Development of a strategy and plan for CDP.
 - Development and updating of manuals and written guidelines.
 - Training, supervision, and follow-up.
 - Preparation of personal development plans.
 - Knowledge-sharing tools, such as intranet and databases.

Fourth: Professional Conduct

Professional conduct entails compliance with applicable laws, regulations and conventions, as well as avoidance of any conduct that might discredit the role of the State Audit Bureau.

Key Risks:

- Engagement in any conduct that would undermine the reputation and credibility of the State Audit Bureau.
- Failure to transfer expertise and tasks to the new audit team.
- Poor relationship with the audited entities due to personal behaviors of the auditor or his failure to respect communication criteria set by the auditee.
- Causing embarrassment to the State Audit Bureau due to an auditor expressing a view or an attitude that does not reflect the opinion of the State Audit Bureau.

Responsibility of SAB Staff

1. Impact of staff conduct on the reputation and credibility of the State Audit Bureau:

The conduct of staff, within and outside the working environment, will have an impact in one way or another on the reputation of SAB and the credibility of its audit reports. SAB staff should therefore abide by the following:

- 1.1 Act according to ethical values, uphold the legal and regulatory framework, perform their duties with due diligence and professional care, and act appropriately when dealing with others.
- 1.2 Provide the required services within the boundaries of their responsibilities and without any undue or deliberate delay. In the event of delay or refusal of an employee to provide such services, he/she shall present the regulatory or legal justifications in this regard.
- 1.3 Professional conduct entails carrying out audit duties with responsibility and due diligence. This involves inspection, analysis and collection of data and information by the auditors, in addition to collecting audit evidence in support of their observations. Such functions should be performed by the auditors themselves, and they should not ask the auditee to handle this issue instead.

2. Cooperation and respect

- 2.1 Cooperation is a fundamental value that encourages sharing of knowledge, expertise, and data between staff members.
- 2.2 The former audit team should provide the new team that will take its place in the auditee with any information, data, or documents relevant to the audit process and other related issues. All audit topics that remain in the follow-up and audit phase should also be submitted to the new team.
- 2.3 Auditors should respect all conduct rules and procedures applicable in the auditees, especially those relating to safety and security controls and entry permits.

- 2.4 Auditor's independence shall not preclude building positive relations with the auditees through cooperation and collaboration with these entities.
- 2.5 Auditors should respect the criteria for communication with the auditees and consider the methods used for presenting their remarks.
- 2.6 Auditors may not provide the auditees with opinions pertaining to SAB functions and mandates. They should advise such entities to seek the advice and opinions of SAB through an official letter to be sent to SAB management. This is to ensure proper handling of this responsibility and in order to avoid conflicts between the opinions and advices that might be attributed to SAB and would result in deviations from the general policy of SAB.

3. Relationship with co-workers

- 3.1 SAB staff should cooperate and properly treat their colleagues with goodwill and respect, and renounce all forms of bickering, hatred, and backstabbing.
- 3.2 Staff should avoid inappropriate criticism or demeaning comments with their co-workers. They should treat them properly and consider giving advice wisely and decently.
- 3.3 Staff should adhere to collegial obligations. They should therefore address disputes arising between them during or because of work, and discuss and resolve the encountered problems therein. In the case of failure to address a problem, this matter should be raised to the next level of management in order to settle such conflicts in a fair and equitable manner.

- 3.4 Staff must abide by the guidance and decisions made by the officials.
- 3.5 Staff should not accuse their colleagues or make unwarranted comments on their personality or integrity, and should adhere to the applicable procedures in the event of any perceived violation of integrity or objectivity.
- 3.6 Staff should be receptive to others' opinions and remarks regardless of their age or years of experience, taking into account that such opinions shall be expressed with due respect.

4. Maintaining a decent appearance and behavior:

Personal appearance takes great importance considering it is one of the features of general behavior. Therefore, SAB employees should adhere to the following:

- 4.1 Appear in a decent look and appropriate to the nature of work. Wear clothes that are appropriate to work environment and consistent with the prestige of the job.
- 4.2 Have your SAB employee ID on you at all times according to Circular No.18/2017
- 4.3 Avoid bringing friends, relatives or others to your official workplace.
- 4.4 Avoid having arguments or speaking in a loud voice whether they are work related or not.
- 4.5 While practicing his/her audit work, an auditor should not be linked to a work, job or activity that affects his/her integrity, objectivity, or independence or the good reputation of SAB.

5. Respecting Time:

5.1 SAB employees should use official work hours in the best interest for work and not abuse this time to do personal interests.

5.2 Employees should plan their time perfectly and minimize lost time as much as possible.

5.3 Auditors should adhere to audit plan deadlines and special instructions regarding time needed for preparing reports.

5.4 Auditors should adhere to deadlines specified by the top management for submitting audit reports.

5.5 Auditors should adhere to official work hours of the audited entity. They are considered watchers over others and they should not be in a position where audited entity's employees and officials talk negatively about them due to not respecting work hours.

5.6 When dividing their time onto different audit activities, auditors must give priority to whatever duty that has to be finished in a legally specific time frame. They have to give special attention for organizing priorities for audit works to be implemented.

SAB responsibility in strengthening professional conduct:

1. Recognize good ethical conduct, along with quick intervention for addressing misconduct¹¹.
2. Ensure just implementation of policies and procedures that strengthens professional behavior in SAB.
3. Provide a work environment that is just and equal and provides equal opportunities in order to create good relationships between colleagues.
4. Spread awareness with ethical behavior rules through campaigns and training programs.
5. Implement a mechanism for submitting and receiving complaints that are concerned with ethical behavior rules (internal or external complaints). Make sure that the informer is protected from any possible pressure from any supervisor.

¹¹ ISSAI 30- Code of Ethics, page 8.

Fifth: Professional confidentiality and transparency

Professional confidentiality is defined as the appropriate protection of information. However, this does not prevent from strengthening the value of transparency when making decisions and doing business, and ensuring that stakeholders actually acquire information¹². Nevertheless, we have to consider the following risks:

Key risks:

- Using confidential information to gain personal interests and disclosing them to other parties.
- Breaching confidential information storage systems.
- Discussing work related issues with other SAB employees who are not competent in the work.
- Discussing any kind of confidential information related to SAB's work and activities in personal life.

Responsibility of SAB employees:

SAB employees must comply with the following:

1. Employees have to be aware of legal obligations, policies and guiding principles that are related to transparency and professional confidentiality.
2. Auditors must consider transparency of information. They must not delete or ignore an impactful document.

¹² The United Nations Convention against Corruption (UNCAC), page 10.

3. Auditors should disclose their mission, its goals, mandate nature and audit mission. They should also accept any response about their comments.
4. SAB employees are forbidden from talking about SAB's work and the affairs of entities subject to its control outside SAB.
5. Employees must not disclose any information gained due to their work unless there are legal or professional rights or duties, and it should be done according to Circular No. 3/2018 regarding the presence of SAB employees before the General Prosecution, Kuwait Anti-Corruption Authority and investigation committees in the National Assembly or the Council of Ministers.
6. Employees must not use confidential information for personal gains or other parties' gains.
7. Maintain professional confidentiality during and after work.
8. Maintain information secrecy when discussing work related issues with other employees and not discussing them with non-competent employees.
9. Maintain secrecy of passwords.
10. Never keep an original copy or copies of any official document whether it was papers or otherwise that are related to entities even if it was concerned with a personally assigned work.
11. Abstain from discussing investigation authorities or court details in cases where SAB is involved in a way that affects the investigation or court proceedings.

12. Maintain all documents, papers and records that are in the custody of employees, which are referred to them, from another department in SAB, or from the audited entity. Moreover, never leave them in public places subjecting them to being lost or being looked at by others.
13. Avoid mentioning personal names or administrative positions in reports during the time when comments are being studied until violation conditions apply. It can be substituted with writing the employees number, civil ID number, contract number, contract date or other means of identification.

Responsibility of SAB to strengthen transparency while considering professional confidentiality:

The top management of SAB is responsible for supporting transparency while considering professional confidentiality through the following:

1. Implement policies for communicating with stakeholders including the media.
2. Publish annual reports on SAB website in order to strengthen transparency and accountability.
3. Ascertain the importance of professional confidentiality on a regular basis.
4. Provide guidance about information, documents and confidential work phases, taking into account cases that are subject to legal requirements and determining specific procedures for reporting such cases.

5. Secure electronic data carriers such as laptops and mobile data storage devices.
6. Secure procedures for destroying stored data in all of its sources (paper or electronic).

Chapter 2

General Controls and Restrictions

1. Dealing with medial controls

1.1 Comply with media contact rules (newspapers, publication entities, radio and television) and social media. The employee is not allowed to make any statement, comment or opinion nor to provide any materials, information or documents directly or indirectly about SAB work unless he/she is assigned to do this mission by the senior management.

1.2 Not to affect or defame SAB work either through opinions or actions while using media or social media.

Consider the decision No. 287 issued on July 10th 2018 concerning controls when SAB employee uses e-mail, sites and applications of social media, and online forums.

2. Administrative Affairs Department shall provide all SAB staff with a copy of the Acknowledgment of Compliance with the Code of Ethics. The department shall keep the acknowledgment in the employees' files after their employment.

Chapter 3

Policies and Procedures for Reporting Violations and Complaints

1. The person who reports should have serious evidence that proves the reported act.
2. Report on violation of the rules of ethical conduct should be in writing on the form prepared for that purpose.
3. The report should be presented personally by the reporter to the Legal Affairs Department (Contracts, Lawsuits, and Investigation Division). The report should include the illegal act that violates the code of ethics and it should be supported by evidence.
4. The Legal Affairs Department (contracts, lawsuits and investigations) shall study the report and make sure of its seriousness based on the enclosed evidence. The department should submit a memorandum to the top management including its recommendations either to transfer the matter to investigation or to be set aside.
5. The decision to refer the matter to investigation is based on Article (1) of the decision No. (4) /2004 concerning procedures and rules bylaw to discipline SAB staff and investigations
6. It is not allowed to harm the reporter or to practice pressure on him/her that may affect his/her professional security and stability.
7. In the case that the reports presented by the employee were found malicious, all the legal procedures against him/her shall be applied.

Chapter 4

Sanctions

1. The employee lack of awareness with his/her professional duties does not obliterate his /her responsibility.
2. The employee is exempted from disciplinary penalty if it is proven that his/her violations are based on a written order issued from his/her supervisor in spite of warning the supervisor. In this case, the responsibility shall be on the one who issued the order. The employee is responsible only for his/her personal mistake¹³.
3. Violation of the provisions of this Code shall be considered a violation to the code of conduct and a breach of duty. The disciplinary penalties mentioned in procedures and rules bylaw concerning SAB staff disciplinary actions and investigations issued by SAB President Decision No. 4 / 2005 regarding the employee breach to the rules of Code of Ethics content.

¹³ Civil Service Commission Circular No.11/2012 regarding the directives and guidelines for the conduct of government bodies' staff, page 3.

Legal Basis and reference

1. The State Audit Bureau law of establishment 30/1964 and its amendments.
2. Decree-Law no. 15/1979 on civil service issued on April 4th 1979, and the decree on civil service system issued on April 4th 1979.
3. Law no. 47/2006 on the approval of United Nations Convention against Corruption.
4. Law no. 7/2010 on the Establishment of the Capital Markets Authority and Regulating Securities Activities and its Amendments.
5. Law no. 49/2016 on the public tenders.
6. Law no. 13/2018 on conflict of interests.
7. General Audit Manual issued by the State Audit Bureau – Second issue 2014.
8. ISSAI 30: Code of Ethics for SAIs issued on May 2016.
9. Code of Ethics for Professional Accountants issued on 2016.
10. The State Audit Bureau President decision no. 4/2005, on the list of procedures and rules for SAB staff discipline and investigation issued on January 18th 2005.
11. The State Audit Bureau President decision no. 9/2007 issued on January 29th 2007, on audit profession code of ethics in the State Audit Bureau.
12. Administrative Circular No. 19/2012 on compliance with the directives and guidelines for the conduct of government bodies' staff, issued by the Civil Service Commission in its Circular No. 11/2012 issued on October 3rd 2012.
13. Administrative Circular No. 6/2013 on State Audit Bureau property protection issued on May 13th 2013.
14. The State Audit Bureau A/President decision No. 104/2017 on disclosure of interests conflicts issued on June 5th 2017.

15. The State Audit Bureau Undersecretary decision no. 18/2017 on staff commitment to put on the personal identities.
16. The State Audit Bureau A/President decision no. 297/2017 on rules of SAB staff acceptance of gifts and services provided to them by virtue of their jobs, issued on November 13th 2017.
17. The State Audit Bureau Undersecretary decision no. 3/2018 on Attendance of SAB staff before the Public Prosecution, the Anti-Corruption Commission, the commissions of inquiry in the National Assembly or the Council of Ministers, or if they are assigned to expertise, issued on April 11th 2018.
18. SAB Circular No. 4/2018 regarding Law No. 13/2018 on conflict of interest prohibition.
19. The State Audit Bureau A/President decision No. 287/2018, issued on July 10th 2018, on the controls process over SAB staff use of e-mail and social networking sites and forums on the Internet.

Acknowledgment of Compliance with the Code of Ethics

I hereby the undersigned / acknowledge that I received a copy of the following :

1. SAB Code of Ethics– issued in (2018).
2. The State Audit Bureau President decision no. 4/2005, on the list of procedures and rules for SAB staff discipline and investigation.
3. Civil Services Commission Circular No. 11 /2012 on compliance with the directives and guidelines for the conduct of government bodies’ staff.

I undertake to read and comply with their provisions, and to keep good behavior, good reputation, good treatment with my colleagues and superiors. I also comply with maintaining the job and the good looking that match the nature of the work I perform.

Declarant,,,

Name:

Personnel No. :

Civil ID No. :

Signature:

Copy to:

Personnel Affairs Division

Violation Report Form

SAB Code of Ethics

Dear reporter,

Please be advised that all the information mentioned in the violation report form for SAB Code of Ethics shall be handled seriously and with a complete secrecy.

Appreciate your cooperation,,,

| | |
|-------------------------------|--|
| Violation Title : | |
| Date and Place of Violation : | |
| Reporting Violation : | |
| Are there any attachments : | <input type="checkbox"/> Yes. <input type="checkbox"/> No. |

Violation Statement & Facts:

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Reporter Name:

Reporting Date:

Signature:

For Legal Affairs Department only (Contracts, Lawsuits, and Investigation Division) :

Report Recipient:

Received date :

Signature:

This document is top secret and should not be published by any means whether on paper or electronic, and should not be handled in any form. It should not be discussed except with those authorized in SAB work ethics manual.