

Code of Ethics & Code of Conduct

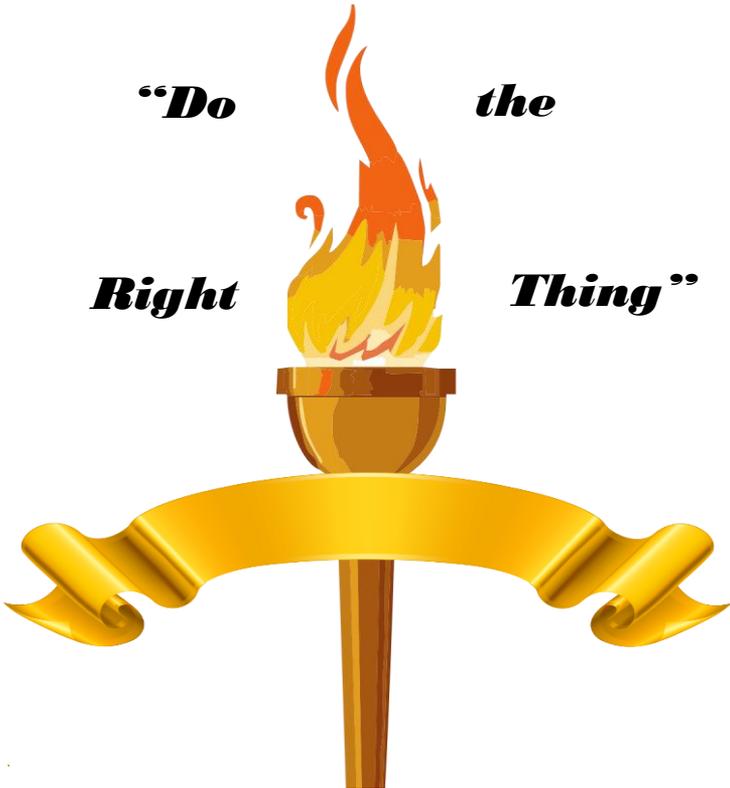


“Do

the

Right

Thing”



OFFICE OF THE NATIONAL PUBLIC AUDITOR



FEDERATED STATES OF MICRONESIA

Office of The National Public Auditor

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Message from the Public Auditor

Doing the Right Thing for today and tomorrow. Understanding our Code of Ethics and Code of Conduct is the start point for our journey. These principles govern our conduct - how we interact with our customers, stakeholders, partners, and each other. Following these guidelines is essential for us to remain leaders in our organization.

We should always strive to build and maintain relationships by treating people with dignity and respect. Our commitment to act with honesty and integrity and to do the right thing are embodied in the policies and practical guidance in our Codes. The Codes apply to all of us, wherever we are or act on behalf of the Office of National Public Auditor.

We all have a responsibility to reflect on the Codes' values and to speak up if we see something doesn't seem right. Let us comply with the Codes to guide us through with our actions and decisions when we have questions in our day-to-day work.

Let's all DO THE RIGHT THING!

A handwritten signature in blue ink, appearing to read "Haser Hainrick".

Haser Hainrick
National Public Auditor

Date: July 1, 2018

Table of Contents

Message from the Public Auditor to the Staff

Introduction.....1

Code of Ethics.....2

- Responsibilities
- Public Interest
- Integrity
- Objectivity and Independence
- Professional Behavior and Due Care
- Proper Use of Government Information, Resources and Positions

Code of Conduct.....4

- Integrity
- Objectivity
- Confidentiality
- Competency

Compliance Investigation Division (CID) Code of Conduct.....7

Introduction

This document sets out the Code of Ethics and the Code of Conduct for the Office of the National Public Auditor. It is applicable to all employees of the Office of the National Public Auditor. All employees should familiarize themselves with the Codes and act in accordance with the principles set forth in it.

I. Code of Ethics

A guide of principles designed to help the employees conduct work honestly and with integrity.

Regardless of whether the organization is legally mandated to have a code, every organization should have one. ONPA is adopting the Codes to support its day to day decision making. It empowers employees to handle ethical dilemmas they encounter in everyday work. It consists of all the obligations that employees must respect when carrying out their duties.

I.A Responsibilities

In carrying out their responsibilities as employees, the Public Auditor and his staff should exercise sensitive professional and moral judgements in all their activities

I.B Public Interest

For the collective well-being of the community of people and entities whom the employees of the Office of the National Public Auditor serve, the Public Auditor and the staff should accept the obligation to act in ways that will serve the public interest, honor the public trust, and demonstrate commitment to professionalism. The principle of

the public interest is fundamental to the responsibilities of auditors and critical in the government environment.

I.C Integrity

To maintain and broaden public confidence, the Public Auditor and his staff should perform all their responsibilities with the highest sense of integrity. Integrity is the core value of a Code of Ethics. Integrity includes auditors conducting their work with an attitude that is objective, fact-based, non-partisan, non-ideological with regard to audited entities and users of auditors' report. Making decisions consistent with the public interest of the program or activity under audit is an important part of the principle or the auditor placing priority on the responsibility to the public interest.

I.D Objectivity and Independence

The Public Auditor and his staff should maintain objectivity and be free of conflicts of interest in discharging their professional responsibilities and should be independent in fact and in appearance when providing auditing and other attestation services.

Objectivity includes independence of mind and appearance when providing audits/investigations, maintain an attitude of impartiality, having intellectual honesty, and being free of conflict of interest. The concept of objectivity also includes continuing assessment of relationships with audited entities and other stakeholders in the context of the auditor's responsibility to the public.

I.E Professional Behavior and Due Care

The Public Auditor and his staff should observe the profession's technical and ethical standards, strive

continually to improve competence and the quality of services, and discharge professional responsibility to the best of their abilities.

Expectations include compliance with relevant legal, regulatory, and professional obligations and standards applicable to the assignment (e.g., GAGAS standards).

Avoidance of any conduct that might bring discredit to the auditor's work;

Putting honest effort in the performance of their duties and professional services in accordance with the relevant technical and professional standards.

I.F Proper Use of Government Information Resources and Positions

The government information, resources and positions are to be used for official purposes and not inappropriately for the auditor's personal gain or in a manner contrary to law or detrimental to the legitimate interest of the audited entity or the audit organization. This concept includes proper handling of sensitive or classified information.

The public's right to transparency of government has to be balanced with the proper use of resources. Many government programs are subject to laws and regulations dealing with the disclosure of information. The auditor should not improperly

disclose information to third parties.

Accountability to the public - The auditor should conserve and use government resources

appropriately for authorized activities.

II. Code of Conduct

It outlines specific behaviors that are required or prohibited as a condition of ongoing employment. It also behaves like the Constitution with general principles to guide behavior; outlining a set of principles that affect decision-making.

The purpose of a code of conduct is to develop and maintain a standard of conduct that is acceptable to the organization. By adopting the Code of Conduct, it results in keeping employees from violating the laws and regulation.

II.A Integrity

The employees of the Office of the National Public Auditor should:

1. Follow high standards of fairness, integrity and ethical conduct
2. Achieve their work with honesty, diligence, and responsibility;
3. Observe the law and make disclosures expected by the law and the profession;
4. Not knowingly be a party to any illegal activity, or engage in acts that are discreditable to the profession of auditing or to the organization; and

5. Respect the integrity of other auditors, recognizing their different experiences and areas of expertise, and contribute to the legitimate and ethical objectives of the organization.

II.B Objectivity

The employees of the Office of the National Public Auditor should:

1. Conduct the audit as instructed by the Audit Protocol without bias, prejudice, variance or compromise;
2. Not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interest of the organization;
3. Remain free of any influence, interest or relationship that impairs professional judgement, independence or objectivity while providing auditing services;
4. not market their services at any time during the audit process;
5. Reveal any potential personal or perceived conflict of interest during initial contact or communication with a client;

6. avoid conflicts of interest at all times;
7. Protect their independence and not accept any gifts of gratuities which could influence, compromise or threaten the ability of the auditor to act and be seen to be acting independently; and,
8. Uphold both the actual and perceived political neutrality in order to discharge their duties and responsibilities in an impartial way.

II.C Confidentiality

The employees of the Office of the National Public Auditor should:

1. Sustain the confidentiality of information received during the audit;
2. Be prudent on the use and protection of information acquired in the course of their duties;
3. Not use audit information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organization; and,
4. Take all reasonable steps to protect the confidentiality of the audit results, data collected and the anonymity of interviewees.

II.D Competency

The employees of the Office of the National Public Auditor should:

1. Engage only in those services for which they have the necessary knowledge, skills, and experience;
2. Continually improve their proficiency and the effectiveness and quality of their skills;
3. Be consistent and accurate in their evaluations of data obtained through documentation, Interviews and observation;
4. Strive to complete- their evaluations and avoid any omissions;
5. Separate fact from opinion clearly and concisely in their evaluations. Support for auditor opinions must be derived from quantitative, measurable data;
6. Serve the client in a conscientious, diligent, respectful and efficient manner;
7. Assist clients with any post audit questions, such as recommendations or explanations of results;
8. Commit to honest, thorough and straightforward communication in the performance of audit activities; and,
9. Willingly and openly share their collective knowledge and always be in the pursuit of the truth and enhancement of health and safety in the construction sector.

III. Compliance Investigation Division (CID) Code of Conduct

This is the Code of Conduct for the CID division. It is

applicable mainly to the CID division since their work is mainly on investigations.

The investigators of the Office of the National Public Auditor should:

1. At all times, act with utmost integrity and carry out
2. all of their duties in a transparent manner;
3. Conduct their inquiries and investigations in an ethical and objective manner without showing fear;
4. Be accountable and take responsibility for all their actions;
5. Diligently carry out all of their duties and maintain confidentiality;
6. Be fair, courteous and treat other people with respect;
7. Use their authority and powers wisely, fairly and in the interests of justice;
8. Act impartially and disclose any possible conflicts of interest;
9. Comply with all applicable laws and regulations;
10. Use the resources of the FSM National Government

in a proper manner; and

11. Act as a positive role model in promoting good governance in the FSM.

Acknowledgment

This Code of Conduct and Code of Ethics is prepared by Franny P. Johnny Administrative Officer