

AUDIT OFFICE
Burroughs House
48 G. Silundika Avenue, Harare
P. Box CY 143, Causeway, Harare
Tel. +263-242-793611/3/4



All correspondence should be addressed to "The Auditor-General"

AUDIT OFFICE
CODE OF ETHICS

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CODE OF ETHICS

1. Preamble

- 1.1 Supreme Audit Institutions (SAIs), like the Audit Office of Zimbabwe, are held to high expectations and must earn the trust of stakeholders (citizens, legislature, executive bodies, auditees and others). Therefore, they need to act as model organisations and inspire confidence and credibility. As ethical behaviour is a key component in establishing and sustaining the needed trust and reputation, a code of ethics is a prerequisite for the functioning of a SAI.
- 1.2 The Audit Office of Zimbabwe hereinafter called the "Office" has adopted this Code of Ethics as a guideline of conduct reflecting moral standards and ethical values that would ensure a credible environment of professionalism. This Code has been prepared in consonance with the Audit Office Act [Chapter 22:18], Audit Office Regulations, Audit Office Employment Code of Conduct, ISSAI 130 - Code of Ethics, International Organisation of Supreme Audit Institutions (INTOSAI) Code of Ethics and the International Federation of Accountants (IFAC) Code of Ethics.
- 1.3 The Code is intended for all those who work for, or on behalf of, the Office. This includes the Head of SAI, its members, executive management and all individuals directly employed by, or contracted to conduct business on behalf of, the Audit Office. It also applies to those in the governance structure of the Office. All these individuals, hereafter referred to as staff, should adhere to the stated values in their professional activity and, as applicable, in their private life.
- 1.4 The Code consists of the perspective of the Audit Office as an organisation and the perspective of an individual staff member (auditor and support staff), which is aimed at identifying and emphasising the responsibilities of SAIs and staff with regard to ethics.
- 1.5 Failure to abide by the provisions of the Code may cause embarrassment to the Office and will call for necessary action.
- 1.6 All Audit Office staff shall observe the conditions of service and all regulations like the Audit Office Regulations, 2019, Audit Office Employment Code of Conduct, the dress code and the Official Secrets Act.

This Code of Ethics carries equal force as any other rules and regulations of the Public Sector.

2. Introduction

2.1 Background

Ethical behaviour is of key importance to the Supreme Audit Institutions in establishing the reputation and trust that they must inspire in their stakeholders. A code of ethics provides SAIs, and the staff working for them, with a set of values and principles on which they can base their behaviour.

The Audit Office of Zimbabwe, which is the Supreme Audit Institution (SAI), deemed it essential to establish a Code of Ethics for itself and staff to inculcate a consistently high degree of moral and ethical values on the part of all staff in carrying out their activities as part of the Office's functions. It is also deemed necessary to foster confidence in the integrity, fairness and objectivity of the Audit Office by the entities whose activities it audits.

2.2 Concept and Scope

The code of ethics sets out ethical values and principles, and the way the Audit Office expects its staff to behave, therefore guiding individual professional behaviour. It is critical that the code supports an environment conducive to behaviour consistent with the values and principles expressed in ISSAI 130 – Code of Ethics. This includes fostering an understanding that compliance with Office's code means abiding by the spirit and not just the letter of the code. The independence, powers and responsibilities of staff demand high ethical values. This Code covers the ethical requirements of the Audit Office members in general and their professional obligations in particular.

While this Code is intended to provide a clear definition of responsibilities and, cannot address all the possible challenges which the Office staff may face in performing their responsibilities. The Code places clear responsibility on individual members for their own conduct and behaviour.

2.3 The Code may be altered from time to time to take account of changed circumstances and situations.

2.4 Purpose

The Code intends to provide the Audit Office and the staff working for it with a set of values and principles on which to base behaviour.

It is of fundamental importance that the Audit Office is looked upon with trust, confidence and credibility by its stakeholders who comprise the following:

- The Parliament;
- The Executive;

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- The general public
- The audited entities;
- International bodies like, UN agencies;
- Any other entity that may come under the purview of the Office on request.

All of these stakeholders are entitled to expect the Office's conduct and approach to be above suspicion and reproach and worth of respect and trust.

- 2.5 Any deficiency or delinquency in the professional conduct or any improper conduct by auditors in their personal life places the integrity and the quality/validity of their audit work in an unfavourable scenario, and may raise doubts about the reliability and competence of the Audit Office, itself. Therefore, it is essential that the Code of Ethics is adhered to in order to promote trust and confidence in the auditors and their work.

2.6 Audit Office Vision, Mission and Values

VISION

The Center of Excellence in the provision of Auditing Services.

MISSION

To examine, audit and report to Parliament on the management of public resources of Zimbabwe through committed and motivated staff with the aim of improving transparency, accountability and good corporate governance.

VALUES

The core values of the Audit Office (the Office) are: *commitment, respect, empathy, accountability, teamwork and integrity (CREATI)*.

By **COMMITMENT** we mean

Self-driven promise-keeping and time-keeping to foster mastery in customer service delivery thereby leaving a legacy of being visionaries.

By **RESPECT** we mean

Accepting individuals' self-esteem, freedom, need for recognition and cleanliness in performance.

By **EMPATHY** we mean

Empathetic support and encouragement within the Office family.

By **ACCOUNTABILITY** we mean

Responsibility of giving assurance on the effective use of public resources and answerable for individual actions.

By **TEAMWORK** we mean

The results-oriented contribution each one of us makes through inspiration, creativity, chemistry and effective communication.

By **INTEGRITY** we mean

Being open, honest, trustworthy and fair in order to guarantee professionalism and goal congruence in our daily conduct.

3. FUNDAMENTAL ETHICAL VALUES

For the purpose of this Code:

Ethical values are the concepts of what is important and therefore should drive the Office's and its staff's decisions.

Ethical principles guide how these values should be carried out in practice and, therefore, what should be appropriate behaviour.

This Code is based on five fundamental values. These values, and the respective summarised guiding principles, follow:

3.1 Integrity

Integrity – to act honestly, reliably, in good faith and in the public interest;

3.1.1 Requirements at the level of the Audit Office

The Office shall:

- emphasise, demonstrate, support and promote integrity.
- ensure that the internal environment is conducive for staff to raise ethical breaches.
- respond to integrity breaches in a timely and adequate manner.

To promote integrity, the Office shall implement and maintain an ethics control system, consisting of policies, regulations and rules related to integrity.

To ensure that integrity controls remain current, it is important that the SAI's leadership and staff participate in regular training, meetings and events to promote a culture of integrity and to learn about new risks and specific cases.

3.1.2 Requirements at the level of Audit Office staff

- The Office's leadership shall lead by example.
- In order to sustain public trust, the Office staff shall set a good example by acting above reproach not engaging in any improper activity, acting honestly, reliably, in good faith and in the public interest.
- In the course of their work the Office staff shall be trustworthy. They shall comply with the policies and standards set by the Audit Office.
- The Office staff shall take care to exercise responsibilities and use the powers, information and resources at their disposal solely for the benefit of the public interest. They shall not use their position to obtain favours or personal benefits for them or for third parties.
- The Office staff shall be aware of integrity vulnerabilities and approaches to mitigate them, and shall act accordingly. Staff need to be alert to circumstances that might expose them to integrity vulnerabilities related to working for the Audit Office and in the public sector environment, and avoid or disclose them as appropriate. These circumstances may relate to:
 - a) personal, financial or other interests or relationships that conflict with the Office's interests;
 - b) acceptance of gifts or gratuities;
 - c) abusing power for personal gains;
 - d) involvement in political activities, participation in pressure groups, lobbying, etc.;
 - e) access to sensitive and/or confidential information;
 - f) access to, and use of, valuable resources of the Office.

3.1.2.1 Staff need to acquaint themselves with the SAI's policies, regulations and rules related to integrity and are responsible for supporting and complying with them. Complying with the SAI's policies, regulations and rules is not just a formal process, but also takes into account the goal of these policies, regulations and rules.

3.2 Independence and objectivity

Independence and objectivity – to be free from circumstances or influences that compromise, or may be seen as compromising, professional judgement, and to act in an impartial and unbiased manner.

Independence comprises independence in fact and independence in appearance. Independence in fact is a situation where individuals are able to perform activities without being affected by relationships that can influence and compromise professional judgement, allowing them to act with integrity and

exercise objectivity and professional scepticism. Independence in appearance is the absence of circumstances that would cause a reasonable and informed third party, having knowledge of relevant information, to reasonably doubt the integrity, objectivity or professional scepticism of the staff, or conclude that they have been compromised.

Objectivity is the mental attitude where individuals are able to act in an impartial and unbiased manner, presenting or assessing things on the basis of facts rather than own feelings and interests, without subordinating judgement to others.

3.2.1 Requirements for the Audit Office

The Office shall be independent as regards its status, mandate, reporting, and management autonomy. It shall have full discretion in the discharge of its functions. This independence is prescribed by the Constitution of Zimbabwe, the Audit Office Act [Chapter 22:18] and Audit Office Regulations. The Office shall adopt policies for its independent and objective functioning.

3.2.2 Requirements at the level of SAI staff

The Office staff shall be free of impairments to independence and objectivity, whether real or perceived, that result from political bias, participation in management, self-review, financial or other personal interest, or relationships with, or undue influence. The Audit Office staff shall:

- a) maintain independence from political influence and be free from political bias;
- b) not be involved in the auditee management's decision-making;
- c) not audit their own work;
- d) avoid auditing entities in which they have recently been employed, without appropriate safeguards;
- e) avoid circumstances where personal interests could impact decision making;
- f) avoid circumstances where relationships with the management or personnel of the auditee or other entities could impact decision-making;
- g) refuse gifts, gratuities or preferential treatment that could impair independence or objectivity.

Audit Office staff shall identify possible threats and situations in which their independence or objectivity may be impaired.

Office staff shall inform management about any pre-existing relevant relationships and situations that may present a threat to independence or objectivity.

3.3 Competence

Competence – to acquire and maintain knowledge and skills appropriate for the role, and to act in accordance with applicable standards, and with due care.

3.3.1 Requirements at the level of the Audit Office

The Office shall adopt policies to ensure that tasks required by its mandate are performed by staff that have the appropriate knowledge and skills to complete them successfully.

3.3.2 Requirements at the level of Audit Office staff

The Office staff shall:

- perform their job in accordance with applicable standards and with due care.
- act in accordance with the requirements of the assignment, carefully, thoroughly and on a timely basis.
- maintain and develop their knowledge and skills to keep up with the developments in their professional environment in order to perform their job optimally.

3.4 Professional Behaviour

Professional behaviour – to comply with applicable laws, regulations and conventions, and to avoid any conduct that may discredit the SAI.

3.4.1 Requirements at the level of the Audit Office

The Office shall be aware of the standard of professional behaviour expected by its stakeholders, as defined by the laws, regulations and conventions of the society in which they operate, and conduct their business accordingly and in line with their mandate. The Office shall assist staff in adhering to that standard.

3.4.2 Requirements at the level of Audit Office staff

The Audit Office staff shall:

- comply with the laws, regulations and conventions of the society in which they operate, as well as with the guidance for their behaviour established by the Office.
- not engage in conduct that may discredit the Audit Office.

- inform their superiors about any arising conflicts between the Office's and their profession's ethical requirements.

3.5 Confidentiality and transparency

Confidentiality and transparency – to appropriately protect information, balancing this with the need for transparency and accountability.

3.5.1 Requirements at the level of Audit Office

The Audit Office shall:

- balance the confidentiality of audit-related and other information with the need for transparency and accountability.
- establish an adequate system for maintaining confidentiality as needed, especially with regard to sensitive data.
- provide that any parties contracted to carry out work for the Office are subject to appropriate confidentiality agreements.

3.5.2 Requirements at the level of the Audit Office staff

The Audit Office staff shall:

- be aware of the legal obligations and of the Office's policies and guidelines concerning both confidentiality and transparency,
- not disclose any information acquired as a result of their work without proper and specific authority, unless there is a legal or professional right or duty to do so.
- not use confidential information for personal gain or for third parties' gain
- be alert to the possibility of inadvertent disclosure to third parties of confidential information.
- maintain professional confidentiality during and after termination of employment.

GENERAL PRINCIPLES

4. Economy, Efficiency and Effectiveness of Operations

Audit Office staff have a responsibility to endeavour to achieve cost reduction while maintaining high quality of service and achieving the set goals with proficiency, to ensure economy, efficiency and effectiveness of the Office's operations.

5. Political Neutrality

It is important to maintain both the actual and perceived political neutrality of the Audit Office. Therefore, it is important that Office staff maintain their independence from political influence in order to discharge their professional duties/audit responsibilities in an impartial way. This is relevant for Audit Office staff since the Office works closely with the legislative authorities, the executive or other government entity empowered by law to consider the Office's reports.

6. Conflicts of Interest

- 6.1 Before embarking on an audit assignment, auditors must notify their managers in charge of the audit that neither they nor their immediate family have any interests that could jeopardize or call into question their impartiality or objectivity in making judgements.

This disclaimer also requires that the auditors inform the appropriate authorities in the Office, should any potential conflict of interest arise at a later date. They should fill in the disclaimer of interest form.

- 6.2 Auditors who believe that there is a possibility of a conflict of interest situation, should disclose the matter to their supervisor, who shall then determine, in consultation with superior authority, what steps should be appropriate to address the situation.
- 6.3 Conflict of interest situations may fall into the following categories:

- a) Financial arrangements;**
- b) Exclusivity of service;**
- c) Past work experience**
- d) Gifts and Hospitality**

a. Financial Arrangements

- i. Auditors should not have any financial interest that could conflict in any way in discharging their responsibilities, call into question their motive regarding the matter in question or cause the Office embarrassment or loss of credibility.
- ii. A significant financial interest in an entity or any organisation that has major or important dealings directly or indirectly with an audited entity might be considered as a conflict of interest. An auditor in such a

situation must report to his or her supervisor or higher authority if appropriate. It is the responsibility of the auditor to make full and frank disclosure of situations where he or she suspects that a conflict of interest may exist. The Office is then obliged to determine whether a conflict of interest does exist and if so, what appropriate steps should be taken.

b. Exclusivity of Service

- i. Auditors' primary professional duty is to the Audit Office. This duty takes precedence over any other working relationships. Any secondary employment relating to Ministries, Departments and Agencies' (MDAs) activities, either directly or on behalf of an external third party, presents a prima facie conflict of interest and is therefore not allowed. Auditors are obliged to disclose to the Office, any secondary employment of this nature that they may have. The responsibility lies with the individual employee to inform the Office of such a situation.
- ii. Any unauthorized outside work during office hours by any employee is considered as improper and constitutes grounds for disciplinary action. The employee should not use any official information in any outside work.

c. Past Work Experience

- i. Auditors must inform the Office of any situation where a former position might bring the propriety of the Office's work into question.
- ii. If an auditor has previously worked for an auditee/client, he should bring this to the attention of the supervisor or appropriate higher authority.

d. Gifts and Hospitality

Auditors must not give the impression that they have been or may be influenced by any gift, hospitality or other consideration to show favour or disfavour to any person or entities being audited while acting in an official capacity. Effects of such favours are as follows:

- i. An auditor, or an immediate or close family member may be offered gifts and hospitality by an auditee. Such an offer ordinarily gives rise to threats to compliance with the fundamental ethical principles. For example, there could be threats to objectivity if a gift from an auditee is accepted.

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- ii. The significance of such threats will depend on the nature, value and intent behind the offer. Where gifts or hospitality are offered which a reasonable and informed third party, having knowledge of all relevant information would consider clearly insignificant, an auditor may conclude that the offer is made in the formal course of business without the specific intent to influence decision making or to obtain information. In such cases, an auditor can generally conclude that there is no significant threat to compliance with the fundamental ethical principles.
- iii. However, if threats are clearly significant, necessary safeguards should be applied to eliminate them or reduce them to an acceptable level. When the threats cannot be eliminated or reduced to an acceptable level through the application of safeguards, an auditor should not accept such an offer or hospitality.

7. Constructiveness

The main purpose of an audit is to ensure improvements in the audited entity's activities. Therefore, auditors should perform a constructive and positive role, which should be reflected in their audit reports. An auditor's role also includes making recommendations to the management of audited entities for improvement. While doing so, care must be taken to ensure that the auditor does not assume the role of management in the provision of such advice. For example, they should avoid direct participation in formulating policies or in designing systems and related controls. Auditors should always bear in mind that the Office's primary role is to give an assurance to Parliament and not to function in a management role. In case of any doubt, auditors should discuss and clarify with the supervisor in charge of the audit.

8. Conduct in Relation to Public Communication

- 8.1 All public communications (e.g. speeches, press releases, speaking at conferences etc.) by any employee of the Office can only be made after the individual has received the appropriate authorization from the appropriate authority.
- 8.2 The Audit Office's responsibility to Parliament implicitly generates a responsibility to the general public since Parliament is the representative of the general public. However, the Office's primary reporting relationship is not directly to the general public, but to Parliament through the Public Accounts Committee. The Audit Office can communicate its publication (the audit reports and other reports) to the general public through the media, but only after it has been presented to Parliament.

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9. Personal Conduct

- 9.1 The Audit Office shall organise regular trainings, meetings and events to promote acceptable conduct, ethical values and principles.
- 9.2 Audit Office and staff should ensure that they do not discriminate on the grounds of race, tribe, gender, religion, disability or illness.
- 9.3 Audit Office staff also have a personal responsibility, so far as is reasonably practicable, to ensure that they do not put the health and safety of others at risk by their actions.
- 9.4 Staff should arrange their personal financial affairs in such a way that they are able to live within their means. Borrowing from clients/auditees, financial delinquency or bankruptcy are prohibited.

APPROVED:


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R. KUJINGA
ACTING AUDITOR-GENERAL


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DATE