

# Statement of Business Ethics



# From the Auditor-General

## Foreword

The Audit Office of New South Wales values its business relationships with its third parties – suppliers, service providers, contract and temporary staff, contract audit agents, consultants, clients, and other external business associates. These relationships are founded on a mutual understanding that business will be conducted in an environment of trust, the highest ethical standards, and where laws and regulations are complied with. Individual responsibility and operational excellence are also promoted.

Our Statement of Business Ethics sets out the key principles that underpin our business relationships. As is expected of all staff, we expect that our third parties act in accordance with these same principles. Each principle is designed to ensure that our relationships generate value for money, promote competition, are transparent and open, and uphold our reputation. Our statement outlines our expectation of third parties and what third parties can expect of the Audit Office when doing business with us.

The Statement of Business Ethics has my full support and the support of the Executive. We will uphold the Audit Office's reputation and commitment to the highest ethical standards and operational excellence, and we ask the same from you.



Grant Hehir  
Auditor-General

May 2015

# Purpose

The purpose of the Audit Office's Statement of Business Ethics is to provide guidance for third parties when doing business with the Audit Office. Third parties include suppliers, service providers, contract and temporary staff, contract audit agents, consultants, clients, and other external business associates. The statement outlines the Audit Office's ethical standards and our expectation that third parties will comply with these standards in all their dealings with us. The statement also outlines what third parties can expect of the Audit Office.

## Our Key Business Principles

The key principles that underpin our business relationships with third parties are:



**Maintaining our independence:** independence is a concept fundamental to the auditing profession and in particular to the Audit Office with the Auditor-General as an independent statutory office holder. This requires the Audit Office to approach its professional work with integrity and objectivity. Prejudice, bias, conflict of interest, or undue influence will not be allowed to override our objective professional or business judgments or relationships. We will avoid situations which may give rise to actual, perceived or potential conflicts of interest.



**Achieving value for money:** this is linked to our responsibility to be accountable for the use of public resources. The Audit Office will follow procurement practices that promote value for money and will consider financial and non-financial factors including quality, reliability and timeliness. Refer to [NSW Procurement's Statement on Value for Money](#) for further information.



**Promoting competition:** this is also closely linked to our responsibility to be accountable for the use of public resources. The Audit Office will follow procurement practices that promote competition which will lead to obtaining the best possible range of goods and services at the best possible price. Refer to [NSW Procurement's Statement on Promotion of Competition](#) for further information.



**Behaving ethically:** we will ensure our business relationships are honest, ethical, fair, without prejudice and consistent.



**Being transparent and open:** our business dealings will be transparent and open to public scrutiny wherever possible.

# Responsibility

## What we expect of you

Third parties to the Audit Office have a responsibility to:

- disclose any situation that involves or could be perceived to involve a conflict of interest as soon as you become aware
- act ethically, fairly, respectfully, openly and honestly in all dealings
- take all reasonable measures to prevent the unauthorised release of privilege or confidential information or information which is not publicly available
- provide accurate and reliable advice and information to reasonable and/or lawful requests
- not offer Audit Office staff, contractors and consultants any financial inducements or any gifts or other benefits which may lead to, or be seen as leading to, an unfair advantage in dealings with the Audit Office (refer to 'practical guidelines' section)
- respect the obligations of Audit Office staff to comply with Audit Office policies and applicable government policies and guidelines including the NSW Procurement Framework
- ensure that all sub-contractors you engage to meet your contractual obligations to the Audit Office, are aware of and are required to comply with this Statement of Business Ethics.

*'Our business meetings will be transparent and open to public scrutiny whenever possible'*

## What you can expect from us

Our staff are bound by the Audit Office's Code of Conduct. When doing business with third parties, Audit Office staff are accountable for their actions and are expected to:

- act in the public interest and use public money effectively and efficiently
- deal fairly, honestly and ethically with all individuals and organisations
- avoid any conflicts of interest (whether real or perceived) or favouritism
- observe legal and ethical requirements to preserve secrecy relating to client information, except where otherwise required by law.

The Audit Office will ensure that its policies, procedures and practices comply with or are consistent with law, NSW Government policies and guidelines, best practice and the highest standards of ethical conduct. In addition, all Audit Office procurement activities are guided by the following core business principles:

- potential suppliers will be treated with impartiality and fairness and given equal access to information and opportunities to submit bids
- procurement activities and decisions will be fully and clearly documented to provide an effective audit trail and to allow for effective performance review of contracts
- tenders will not be called unless the Audit Office has a firm intention to proceed to contract
- fair, open and effective competition will be promoted and encouraged whilst seeking the best value for money
- the Audit Office will not disclose or misuse confidential or proprietary information or information prejudicial to other parties taking part in the tender process.

# Compliance



## Why Compliance Is Essential

We will only deal with third parties who comply with our statement of business ethics.

You should be aware of the consequences of not complying with Audit Office's ethical requirements when doing business with us. It could lead to termination of contracts, loss of future work or reputation or even matters being referred for criminal investigation.

# Guidelines

## Practical Guidelines

### Incentives, gifts and benefits

The Audit Office expects its staff to decline gifts, benefits, travel or hospitality offered during the course of their work. You should not offer any such 'incentives' to Audit Office staff.

The Audit Office only permits its staff to accept gifts if:

- they are not considered gifts of influence
- are token and of nominal value or
- refusing a gift is likely to be perceived as rude or offensive.

The Audit Office requires staff to report all offers of gifts, irrespective of whether they are accepted or not. All offers of gifts are recorded in the Gifts and Benefits Register and published on our website.

### Conflicts of interest

Audit Office staff involved in a request for offers (such as a tender or the selection of a preferred supplier) must disclose any potential conflict of interest. This includes an interest by a staff or a member of their family or close relative or associate in a company or other business that responds to or is in some other way involved in the request for offers. If a conflict of interest with the Audit Office exists or arises, the Audit Office also expects our business associates, contractors, consultants and suppliers to disclose to the Audit Office the interest as soon as they become aware.

## Confidentiality

All Audit Office information should be treated as confidential unless otherwise expressly indicated. Third parties should be aware that the security of all official information and documents obtained in dealing with the Audit Office must be maintained, unless the information is made publically available by the Audit Office.

Contract and temporary staff and contract audit agents must observe legal and ethical requirements to preserve secrecy relating to client information.

Suppliers and service providers responding to requests for offers should be aware that certain information regarding contractual arrangements, including the identity of the successful contractor and the price payable, must be made publicly available after contracts are awarded in accordance with the *Government Information (Public Access) Act 2009*.

### Communication between parties

All communication should be honest, respectful, clear, direct and accountable to minimise the risk of the perception of inappropriate behaviour or influence within the business relationship.

Third parties should not offer Audit Office staff private employment which conflicts with their public duties. Former Audit Office staff who have dealings with current staff need to ensure that they do not seek, or appear to seek, favourable treatment or access to confidential information.

# Contact

## Who To Contact

If you have any questions regarding this statement or to provide information about breaches of this statement, please contact the Executive Manager, Governance on:

t +61 2 9275 7100  
f +61 2 9275 7200  
e [governance@audit.nsw.gov.au](mailto:governance@audit.nsw.gov.au)  
GPO Box 12, Sydney, NSW 2001

For details on making a complaint about us or a complaint about another agency for matters of serious waste of public funds, refer to our complaints management policy at:  
<http://www.audit.nsw.gov.au/about-us/complaints>.

Public officials reporting corrupt conduct, maladministration or serious waste of public funds are protected by the *NSW Public Interest Disclosures Act 1994*. This Act protects public officials from reprisal or detrimental action and ensures disclosures are properly investigated and dealt with.

Alternatively, the following external organisations may be contacted:

### Independent Commission Against Corruption (ICAC)

For matters of corruption involving NSW public officials

t 1800 436 9090

### NSW Ombudsman

For matters of maladministration

t 9286 1000  
t 1800 451 524 (outside Sydney metro)

For information concerning contracts and tenders, please contact the Procurement Officer on 9275 7100.