

State Audit Office  
Handbook of the Code of Ethics

## Preamble

The purpose of the Handbook of the Code of Ethics is to assist the State Audit Office (SAO) and the auditor to establish the ethical principles set out in the Code of Ethics in practice, as well as to assist the auditor in complying with the ethical norms of their colleagues conduct and treatment of official rights and duties.



The auditor should evaluate the expected consequences of their behaviour and refrain from actions that may be contrary to ethical values and principles.

## 1. The basic essence of ethics

Ethics is the connection of the action and thought, which ensures implementation of the principles, values and standards of conduct defined by the rules of ethics and behaviour in practice. In other words, ethics is a set of moral principles, values and standards, which is a guide for people – “how to behave” and determines - what is the “right action”.

### 1.1 What are ethical values

The value system of the State Audit Office is important for a fundamental understanding of the essence of ethics in professional activities, that entail the main principles of independence, professionalism, objectivity and transparency. They reflect what an auditor should be like and create the desired ideal for the one that an auditor should strive for. Adherence to these principles and obedience to these criteria ensures that the State Audit Office is presented to the public as an independent, collegial, professional and credible public institution.

### 1.2 Ethical principles of conduct

Ethical principles of conduct are the standards of auditors’ work that are consistent with the ethical values of relevant behaviour or refraining from an inappropriate behaviour, how to uphold those values in practice and what their corresponding actions should be like.

### 1.3 Ethical norms of conduct

Ethical norms imply mandatory requirements for auditors’ ethical conduct and are based on ethical values and ethical principles. There are unwritten (e.g., established rules of conduct in society) and written (codified) ethical norms.

## 1. 4 Ethical Behaviour



The auditor should read the handbook regularly in order to internalize the norms of behaviour.

Ethical behaviour is a set of ethical values, principles, and norms that are reflected in the auditor's personal actions, behaviour and attitudes. If an auditor's behaviour does not conform with the ethical values or has violated unwritten ethical principles, their behaviour will be condemned by both the public and colleagues. The auditor should evaluate the expected consequences of their actions, use professional judgment and refrain from actions that may oppose to ethical values and norms.

### 1.5 Importance of ethical actions, behaviour, and attitude

Auditors' ethical actions, behaviour and attitudes strengthen public trust towards the State Audit Office and the Government in general. Ethical action reduces the probability of illegal actions. Adherence to ethical principles and norms also improves the work environment.

The society has the right to demand that the auditor acts in accordance with professional and ethical principles during their official duties, not to use official privileges for personal interests, and not to question their own honesty, independence and neutrality.

Ethics is an integral part of the professional competence of the State Audit Office. The auditor's unethical behaviour significantly damages quality of their performance of official duties. Consequently, it is not enough to assess professional competence just based on their good competency, the ethics of their work should also be assessed.

Adherence to ethical principles strengthens the auditor's self-control. Ethical action reduces conflict between auditors, enhances mutual trust, and improves overall efficiency.

## 2. The behaviour of an auditor while violating the norms of the code of ethics

### 2.1 Auditor's behaviour in case of violation of ethical norms

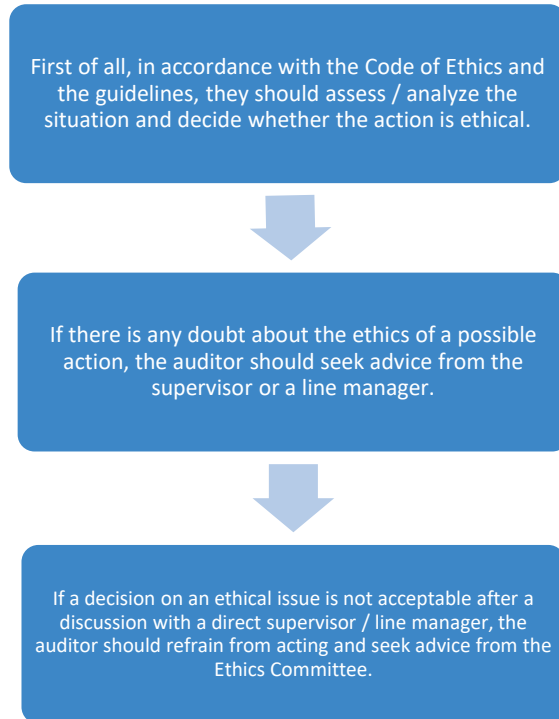
How should an auditor act if the norms of the Code of Ethics are violated?

The auditor should not remain indifferent in case of violation of the norms of the Code. If there is a doubt about a non-compliance with the provisions of the Code, the auditor should submit a written statement to the Ethics Commission.

A statement of possible unethical conduct may be submitted by mail, e-mail or placed in the Complaints / Advice Box located at the offices of the State Audit Office. The Ethics Commission also reviews anonymous statements.

## 2.2 Assessing the ethics of your own actions

What should an auditor do if they are unsure about the ethics of their actions?



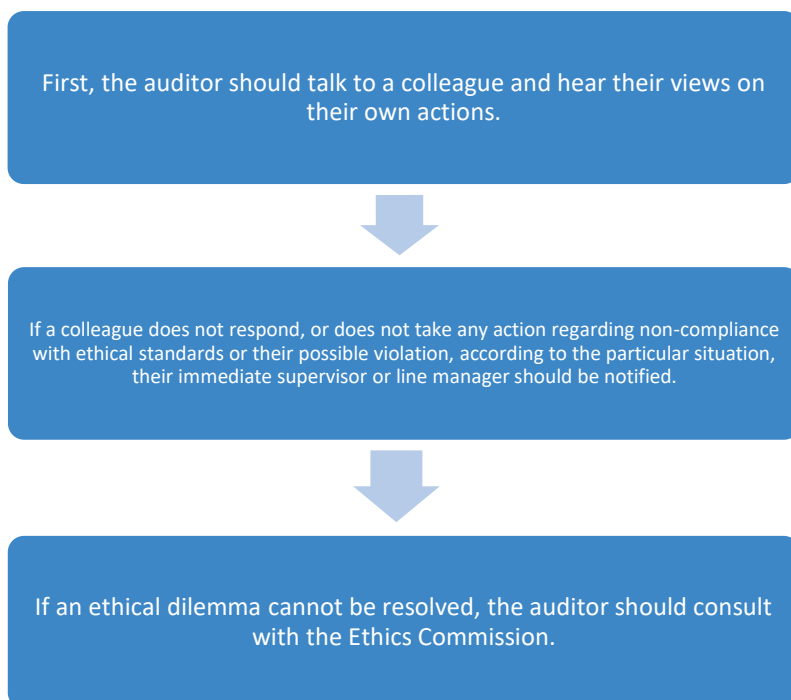
Ethics is an integral part of the professional competence of the State Audit Office



The auditor provides the public, audit firms, and other individuals substantiated, objective, and valid information solely.

## 2.3 Violation of ethical norms by a colleague

What should an auditor do if they have doubts about the ethical behaviour of a colleague?



The auditor should be aware that daily behaviour, actions, and attitudes shape the image of the State Audit Office in the community.

The Ethics Handbook describes number of possible routine case. Consequently, the auditor should be acquainted with it on a regular basis in order to remember and grasp the desired norms of action and behaviour and to act accordingly, although it is not possible to provide a reference to all possible cases in the Handbook. Therefore, the auditor should be able to assess compliance of their own action with the Code of Ethics and the Ethics Handbook in a particular situation.

### 3. Honesty

Honesty is the basis of the auditor's professional activity at the State Audit Office. Adherence to this principle is a special part of an auditor's responsibility.

The auditor strives to be a role model for others, acts in a good faith and based on the public interest. Auditors are required to use their conduct and attitudes towards official duties and responsibilities in order to:

- a) develop and maintain trust and respect to the State Audit Office as an independent institution;
- b) promote awareness about the rule of law;
- c) defend the principles of justice and equality while communicating;
- d) act in a good faith in order to exclude any doubts about their objectivity;
- e) ensure that the powers conferred upon them, information and resources available to them are used only in the public interest.

Adherence to the principle of honesty means:

- Ethically correct behaviour – all actions of the auditor should be well-founded and credible, based only on factual and verified information derived from facts and evidence to ensure accurate, correct and fair professional judgment.

Accurate, correct and professional judgment strengthens public trust.

- High sense of responsibility -

The auditor ensures that their position, authority, public resources at their disposal (personalized financial, material and intellectual assets, information) are used for the purposes defined by the law.

- Promoting adherence to the rules that ensure the ethical value of honesty -

The auditor strives for self-development, improvement of both on a personal and professional level, is keen to excel and make their actions exemplary. At the same time, the auditor seeks to promote the protection of honesty, which is



Honesty is the  
cornerstone of an  
auditor's  
professional  
career.

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The auditor should  
not use their position  
or authority for  
personal gains.

manifested in a case of breach of values; with the aim to improve the system of protection of ethical values, etc.

Thus, it is essential to avoid cases where honesty may be under the question: for example, deliberate selective use of facts and information, the misstatement of an audit's opinion, conclusion or recommendation on purpose, granting of unjustified advantage or privilege towards audit objects; as well as taking actions that may raise doubts about the auditor's conduct being unscrupulous or of using the position for personal gains.

*Example 1.*

*During the audit, the auditor was informed about the increase in the price of a land plot in connection with an investment project to be implemented in one of the municipalities.*

*Can the auditor share this information with relatives or use and purchase the land themselves.*

***The auditor should not use official information for personal gain.***



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The auditor acts in good faith, fairly and impartially.

*Example 2.*

*A representative of the top management of the Ltd "Mountain Resorts Company" offered the auditor free access to cableway during the audit, and also promised that in any season, the auditor would be able to receive the company's services completely free of charge (bypassing the control mechanisms introduced in the organization).*

***The auditor should politely turn down the offer.***

The auditor should not take advantage of their position and should not receive special conditions for the public services (queue-jump, accelerated service, non-compliance with procedures, free of charge, etc.) provided by the audit entity.

The auditor should be aware that their behaviour, actions, and attitudes on a daily basis that shape the reputation of the State Audit Office in the community. Both during the performance of official duties and during non-working hours, the auditor should avoid cases that could undermine the authority of the State Audit Office and the auditor himself.

During non-working hours, the auditor should have a style of conduct that does not create any doubt of impartiality and fair performance of their duties.

#### 4. Independence and objectivity

The auditors of the State Audit Office are independent, impartial and politically neutral in their professional activities.

Auditors are required to use their conduct and attitudes towards official duties and responsibilities in order to:

- a) strengthen the reputation of the State Audit Office as an independent institution;
- b) maintain independence from political influence and be politically impartial;
- c) act without any violation of independence and objectivity, whether it is real or perceived, because the perception of independence is as important as factual independence.

Independence is a key condition for the activities of the State Audit Office. If independence is threatened, the State Audit Office will not be able to perform the entrusted tasks. Accordingly, it is the duty of each auditor to establish and maintain a belief in independence as one of the core principles of professional activity.

Not only factual independence is important, which gives the auditor ability to avoid the influence of others and be impartial while carrying out their official duties but also they should be attentive to the others' perceptions of independence. This means taking care of external independence, which means avoiding actions, and circumstances that would make the objective observer suspicious about the auditor's independence and impartiality.

The auditor's findings, professional judgment, conclusions and decisions are motivated only by existing objective facts and based on these factual circumstances an objective, impartial decision is made and not by their personal subjective views, assessments or attitudes.



Impartiality and  
professionalism  
enhance independence  
in the performance of  
official duties.

In accordance with the principles of independence and objectivity, in the performance of official duties:

1. The auditor shall act in accordance with the principle of political neutrality, which provides the performance of professional activities to be free from political influence and independent of personal political views. They refrain from actions that might be perceived as supporting the interests of a particular political party.

The auditor is independent in their activities. They must separate personal and public interests. In the performance of their official duties, they should not be influenced by politics, which may affect his ability of professional judgment; When making a decision, they should rely on the law and be guided only by the public interest and not by the policy of a particular political party.

It is inadmissible for the auditor to use their official position for party (political) purposes and / or interests: to take part in political activities, agitation and also in the pre-election campaign during the exercise of official duty or during working hours; The use the administrative resources at their disposal during the campaign of support / anti-agitation of any political party, election subject, election candidate.



The public expects that the decision is made taking into account the interests of the state and not any political entity.

#### *Example 1.*

*An information / support campaign has been launched in response to public activism, which is not incompatible with freedom of expression. Supporters of the movement posted the movement's logo and slogan on their profiles on social media.*

*Does the auditor have the right to engage in such activity?*

*By analyzing the expected risks, he can express support for such a movement. If the activity becomes clearly politically motivated, the auditor should discontinue any such activity or public support in order to maintain political neutrality.*



The auditor should not influence other officials to use their own position.





*The active declaration of views by the auditor publicly, including through social networks, about any political party or political process, both in a positive and negative context, is unacceptable in terms of adhering to the principle of political neutrality.*

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2. The auditor is not involved in the decision-making process of human, financial, material or intangible resource management and other issues related to the object of the audit management, ruling and control of the audited entity and belong to the managerial responsibility of the audited entity.

The work performed, evaluated and the decision made only based on verified and confirmed objective facts are the basis of trust in the State Audit Office.

Example 3.

A member of the audit team was posed a professional question by the chief accountant of the entity and asked for advice on current issues.

Should the auditor provide consultation on that issue?

The auditor should not make any recommendations regarding the current activities of the entity and should politely explain to the staff that this is not within their competence.

Example 4.

Upon completion of the audit, the auditee asked consultation to the auditor how to implement the recommendation.  
How should the auditor behave?

They should politely explain to the auditee that consulting on specific ways to implement the audit recommendation is beyond their competence.

3. The auditor shall provide information to the office about circumstances that may affect their official performance, or be perceived as direct or indirect influence on their personal interests on the official work (for example, his/her personal or official interests related to the auditee).

The auditor puts the public interest above the private interests and avoids circumstances that may incur a conflict of interest, or which may affect their professional activities, and / or be perceived as a conflict of interest, directly or indirectly affecting their office.

Private interest includes personal, professional or business interests together.

The auditor avoids conflict of real, imaginary and potential interests arising out of the auditor's private interest and which have or may have an impact on the fair and impartial performance of the work and decision-making. If it is impossible to prevent such a conflict of interest, the auditor should refuse to perform their official duties in this situation.

A fictitious conflict of interest is a situation in which an objective observer suspects an auditor's conflict of interest. Consequently, the observer has the impression that the auditor will not be able to make an impartial decision or perform the work in good faith, although in reality this is not true. A fictitious conflict of interest may have the same consequences as a real conflict of interest, which may negatively affect public's trust toward the auditor and the State Audit Office as a whole.

A potential conflict of interest is a situation where there is no private interest at the moment, but depending on the tasks to be performed by the auditor, there is a likelihood of its occurrence in the future.

Conflict of real interest refers to cases where the auditor actually has a conflict of interest - private interests influence the auditor's decisions and actions in the performance of their official duties and responsibilities.

The auditor shall inform the immediate supervisor of the occurrence of a potential conflict between professional ethical standards and the interests of the State Audit Office.

The auditor should discuss with the supervisor all possible cases of conflict of interest, including cases where they have had a legal relationship with the auditee in the past.



The auditor should discuss all possible conflicts of interest with the immediate supervisor or superior official.



Exercising rights and duties in case of conflict of interest is a violation of the law and gives rise to liability under the law.

**Example 5.**

*It was reported that the State Audit Office should conduct an audit at a specific agency and that the particular auditor is a member of the audit team. The auditor was later contacted by a former colleague / friend (or other person close to them) who informed that the auditor was a new employee with a responsible position and expected productive cooperation with them.*

*How should the auditor behave?*

***When talking to the addressee, the auditor should show personal neutrality and refrain from answering / commenting on the questions asked. He should also inform the immediate supervisor about a potential conflict of interest.***

**Example 6.**

*It became known to the auditor that their family member is employed in the institution which the auditor will be auditing.*

*How should the auditor behave?*

***The auditor informs the supervisor about this and discusses whether this could affect the auditor's objectivity and independence. The auditor acts according to the decision made.***

4. The auditor does not accept an offer, and / or a gift, which may affect their performance of official authority or be perceived as a basis for pursuing a private interest.

The auditor should not accept gifts, use services, receive any benefits from other people (state, local government or other agencies, audit facilities, political organizations, companies, former, existing or potential contractors, etc.) in person or from a third party, if this might affect his professional judgment, or facilitate decisions against the claimant and create the impression that it is possible to influence the auditor or their decision.

*Example 7.*

*During the auditee visit, the auditor visited cafeteria, where the chief accountant offered them to pay for their lunch.*

*How should the auditor behave?*

*The auditor should politely decline the offer and cover the cost of their own lunch.*

*Example 8.*

*An exhibition is held in the building of the audit object, after which there is a cocktail. Representatives of the audit object invited the auditor to the exhibition.*

*Should the auditor attend the exhibition and then the cocktail afterwards?*

*The auditor should consider whether attending such an event organized by the auditee would affect their objectivity and independence.*



The auditor must be committed to their profession and to the State Audit Office.

## 6. Professionalism

The auditors of the State Audit Office should act professionally.

Auditors are required to use their conduct and attitudes towards official duties and responsibilities in order to:

- a) demonstrate compliance with professional standards individually and at the level of the State Audit Office;
- b) maintain, develop and improve professional knowledge and skills;

c) evaluate and, if necessary, apply the knowledge and experience of colleagues and partners and share their knowledge with them as well;

D) carry out professional activities with proper diligence and etiquette.

The auditor should be aware that the quality of their work and attitude towards official rights and responsibilities affect the reputation of the State Audit Office as an agency in the society.

The characteristics of the criteria for defining professionalism are:

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1. Qualification - Possession and application of knowledge and skills necessary for the performance of work, willingness to share professional knowledge and experience with colleagues, as well as openness to innovations, eagerness to improve the level of professional knowledge and skills (self-development, participation in professional development programs).

The auditor uses various means to develop his professional qualifications:

- ✓ Professional or additional vocational education;
- ✓ Systematic and careful acquaintance with the field news, acquaintance with the latest special literature, knowledge of current issues in the field;
- ✓ Continuing professional education, including attendance at professional courses and seminars;
- ✓ Enhancing work experience;
- ✓ Acquiring knowledge through consultation with professional colleagues.

The auditor must constantly strive for self-development, professional development, which is not only his right, but also their obligation.

The auditor is personally responsible for the quality of the work performed. They must perform the work responsibly and as efficiently as possible, so as not to hinder the development and improvement of their own skills.

In performing their duties and responsibilities, the auditor should use the latest theoretical and practical methods, as well as reveal active interest to solve the problem/challenge with the latest method/approach.



The auditor shares their professional knowledge, experience and best practices with new colleagues and other State Audit Office staff.

*Example 1.*

*During the audit procedure, additional circumstances were identified which require special knowledge that the auditor working on the issue does not have.*

*How should the auditor behave?*

*The auditor should evaluate the existing risks and notify the group leader, with whom they discuss the situation and possible risks. In all circumstances, the head of the group / department makes an appropriate decision.*

*Example 2.*

*Talking to the representatives of the audit object, the auditor's colleague names the wrong way to solve the problem.*

*How should the auditor behave?*

*The auditor offers the meeting participants to postpone the discussion of the given issue, due to the need for additional evaluation. They should then discuss the circumstances of the case with their colleague. If necessary, address the immediate supervisor and / or senior official to participate in the discussion.*

2. Diligence – performing the work carefully, thoroughly, diligently and on time.

A thorough study of the facts and circumstances, their objective evaluation, impartial decisions, correct actions, performance of the work in a timely manner, or the proper attention to the work ensures a high degree of professionalism of the auditor.

The actions of the auditor should be reasonable, which means that they have the ability to justify their actions reasonably and anticipate the expected results.

3. Etiquette - behavior appropriate to the standard of service and office culture (courtesy, self-command, mutual respect among colleagues, accuracy, punctuality, etc.)

Etiquette is a set of rules of conduct in society and it reflects a person's attitude towards society.

The auditor at any level of activity should be polite, patient, correct, courteous, balanced, non-confrontational - not only with representatives of the auditee, but also with colleagues and others. Adherence to these principles will enhance the reputation of both an auditor and the Audit Office.

The auditor should be punctual, respectful of colleagues and representatives of the audit objects. They should always be at the meetings, scheduled gatherings, sessions, and interviews on time. If they are late for the meeting due to factual circumstances, they must inform the other party on time about the estimated time, or offer to change the meeting / gathering / session / interview time. The auditor should respect their own and interlocutor's time and conclude the meeting at the scheduled time and, if necessary, arrange an additional meeting.

The auditor should act with respect and collegiality, encouraging and promoting mutual trust and cooperation. They must be tolerant and not hurt others.

The auditor is obliged to appear in an orderly, business form both in the office and at the audit object.

## 7. confidentiality

Auditors are obliged to maintain confidentiality in their professional activities. This obligation applies both when working in the State Audit Office and after leaving the office.

Auditors are required to use their conduct and attitudes towards official duties and responsibilities in order to:

- a) ensure trust in the State Audit Office as a reliable partner;
- b) realize the importance of the information received during the implementation of the activity in ensuring the quality results of the work;
- c) ensure the protection of the received information and disclose it only in accordance with the procedures established by the law;
- d) use the obtained information only for official purposes.

The audit report of the State Audit Office is based only on information obtained during the work. Therefore, the protection of this information is crucial.

It is important that the State Audit Office maintains balance between the principles of confidentiality and publicity as defined by law.



The auditor should be aware of, understand and follow the rules of information protection.

*Example 1.*

*During the audit, while at the audit site, journalists contacted the audit team to comment on the ongoing audit procedures and the circumstances identified.*

*How should the auditor behave?*

***The auditor should refrain from giving interviews / comments. The auditor should politely refuse, because, according to the law, the results of the audit can not be made public until the publication of the public audit report. He must notify about the case the immediate supervisor, who will inform the superior official.***

*Example 2.*

*Following the completion of the audit, but prior to the publication of the audit report, which partly relates to the public interest, political and non-governmental organizations approached the auditor for comment on the ongoing audit.*

*How should the auditor behave?*

***The auditor should refuse to comment, as by law, audit results may not be made public until the public audit report is published. They must notify the immediate supervisor, who will inform the superior official.***

The auditor should protect the confidentiality and take care of information at all levels of the State Audit Office's service.

In order to ensure the quality of the work and avoid damaging the reputation of the State Audit Office as a reliable partner, it is important that the auditor of the State Audit Office ensures protection of information received on a daily basis to prevent its intentional or unintentional disclosure.

The auditor is required to maintain professional secrecy in private life (family, community or other environment), including on social media.

The auditor is obliged to ensure the confidentiality of information in accordance with the rules established by law and internal legal acts.

The auditor does not make public comments, including anonymously, on the confidential or internal affairs, processes or information (including ongoing litigation) related to the State Audit Office, auditee or companies. The auditor has the right to express an opinion with the media only if the General Auditor grants such an authority. In other cases, they should refrain from expressing their views if they realize that they may be perceived as the official position of the State Audit Office.



It is necessary to follow the same standards in so-called online space like operating in real space, officially or privately.



*Example 3.*

*During the audit at the audit object, the colleague asked the auditor questions about the content of the specific project of the audit object, which is not public at this stage. For example, this pertained the resettlement plan of investment projects or about the privatization plans for the following years.*

*Should the auditor provide this information to another person?*

***The auditor should strictly protect confidentiality of information and refuse to disclose such information.***

*Example 4.*

*During the audit, information about the addresses and other data of a certain group of the population was obtained. A colleague asked the auditor to share this information for academic purposes (scientific paper, research, etc.)*

*How should the auditor behave?*

***The auditor should strictly protect the confidentiality of the information and refuse to disclose the information.***



***Be careful with  
your thoughts,  
Thinking is the  
beginning of  
behavior (action).***

## 8. Professional behavior

Behavior is a certain established human interaction with the environment; Human behaviour is a combination of actions, movements, speech, thoughts and feelings.

Professional behavior, as a value, is the compliance of a professional's actions with the requirements of legislation and other regulatory norms and the avoidance of conduct that would discredit an auditor on behalf of the service and/or as a professional. Auditors should be aware that any action they take affects the authority of the office and the degree of public confidence toward them; Thus, they must constantly take care of how their actions will be perceived by colleagues, family, friends, the auditee, the media and others.

The standard of professional conduct sets the framework for actions and reflects what is a right and what is wrong action, what is acceptable, what is consistent with the values of service and society. Establishing these behavioral frameworks (standards) helps the auditor determine what values should be adhered to in both the audit and the decision-making processes, including discretion (choice between bad and good or between pair good and good) taking into consideration the values they serve and primarily the purpose, i.e. the public interest.

Recognizing that auditor's activities contribute to improving the lawful, economical, productive and efficient management of public administration and public funds, the auditor must assist the office in achieving its goals, constantly take care of development professional conduct, and maintainance the authority of the office.

Protecting the value of professional conduct provides internal control of behaviour, prevention of misconduct, confidence building, and partnership with audit objects, which in turn contributes to effectiveness of the SAO mission and mandate.

#### Characteristics of professional behaviour:

##### 1. Behaviour management in compliance with the requirements of law and regulatory norms

The auditor acts and manages their behaviour in accordance with the restrictions established by legal and regulatory norms.

By law, the auditor is a civil servant and is subject to the regulations established by the normative acts of civil service. A high performance culture of the proper standard of conduct established in public service is crucial for development of public administration. The rules governing the conduct of civil servant are given in the following normative acts:

The Law of Georgia on Civil Service stipulates:

- Obligation of ensured behavior in compliance with the principles of public service:

- ✓ An evaluation system where behaviour is an important component of the subject matter;
- ✓ Liability - for neglecting or violating the rules of conduct;
- ✓ Obligation of an official to obey the general rules of ethics and conduct in accordance with the Law of Georgia on Conflict of Interest and Corruption in Public Institutions.

- The Law of Georgia on Conflict of Interest and Corruption in Public Institutions stipulates:

- ✓ Behaviours that ensure prevention and detection of the basic principles of conflict of interest and corruption in a public institution;
- ✓ Fundamental basics of general rules of ethics and behaviour.

- Resolution N200 of the Government of Georgia from April 21, 2017 “Defining General Rules of Ethics and Conduct in Public Institutions” establishes:

General rules of conduct for public servants and a framework of relevant values to ensure creation of an ethical environment in a public institution;

Commitment to loyalty, legitimacy, political and religious neutrality, good faith, incompatibility of interests, gift, freedom of expression, professionalism, equality, sexual harassment, objectivity and impartiality, proportionality/equity, efficiency/ effectiveness, courtesy, principles of collegiality, disclosure, transparency and openness of relations with public servants, supervisors and subordinates, and appropriate behaviours.

The auditor’s professional conduct is also governed by professional legal and regulatory norms, namely:

- ✓ Organic Law of Georgia on State Audit;
- ✓ Order N009746 / 21 of the Auditor General from November 26, 2019 “Approval of the Code of Ethics for Auditors of the State Audit Office”;
- ✓ Legal acts of the Auditor General;
- ✓ Internal regulations of the SAO;
- ✓ International Public Sector Auditing Standards declared by international organizations of auditing bodies;
- ✓ Methodologies, manuals and instructions related to the audit procedures established in the office;
- ✓ Position instructions (job descriptions) developed by the office, which define the main functions, qualification requirements, rights-duties and reporting hierarchy.



Despite the many benefits and advantages of social media, the auditor should be aware of the responsibilities associated with it as well and should ensure politeness and correctness as much as possible.

## 2. Behavior management to maintain a professional reputation

The State Audit Office is the supreme audit institution overseeing the use and expenditure of budget and other public resources to promote public administration efficiency and accountability. Accordingly, the auditor, taking into account public trust, the importance of the authority of the institution, public nature of the position, as well as how worthy and honorable the position is, makes every effort to maintain and enhance trust, reputation, respect for the profession in the future. Consequently, public expectations towards the auditor are higher, which is due to the public trust and a high degree of responsibility for the work to be performed.

A profession may be discredited by conduct about which a prudent and informed third party is likely to conclude that it is adversely affecting the profession's reputation.

Professional conduct in adhering to other principles and values of ethics and integrity determines how the auditor should act, what to focus on, and what values to adhere that should guide and reflect their decision-making process. These rules of conduct are described in the relevant principles / values section:

- ✓ Due to professional characteristics, it is important to manage the auditor's behaviour in non-service situations (for example, during cultural events, in public catering establishments, etc.), during non-working hours. Any ethical or unethical behaviour of the auditor is always noticed and discussed by a section of the public. Also discussed, for example, by colleagues, representatives of audit objects or a partner organization, the auditor's social circle, etc. According to the behaviour of the auditor, the society judges both the individual and the state audit service.
- ✓ The auditor should be wary of expressing their personal opinion publicly (both on news and social media and in the social / virtual space) and should realize that their personal opinion may be perceived as an official position of the office or its independence or impartiality may be questioned by the third parties. The so-called online space also requires adherence to the same ethical standards as in real space, in official or personal relationships.
- ✓ It is important to prevent unprofessional behaviour. The auditor should assess the threats to compliance with the basic principles of ethics;
  - Assess the identified risks;
  - Respond appropriately to these risks by eliminating them or reducing them to an acceptable level.

- ✓ If the auditor determines that the risk to the principles is not acceptable, they should respond appropriately to the risk, eliminate or reduce it to an acceptable level, namely:
  - Dangerous circumstances, including interests or relationships, should be avoided;
  - Take protective measures to reduce the level of danger to an acceptable level, if protective measures are in place and can be used;
  - Must renounce or terminate the relevant professional activity.

*Example 1.*

*During the communication process, the auditor notices that a representative of the audit object creates a confrontational situation.*

*How should the auditor act at this time?*

*The auditor should not allow a conflict situation to arise, if it is impossible to defuse the tension, they should leave and notify their immediate superior or higher official of the existence of such a situation.*

Before deciding on specific actions and behaviours, the auditor should consider whether they can substantiate and explain their decision regarding the following criteria:

- Does they have the right to make that decision? What effect would that decision have? Is it sufficiently substantiated?
- What consequences might their decision have on all parties involved?
- Does the decision contradict the regulatory norms?
- Does the decision comply with the values and working standards of the State Audit Office?
- Is the decision in line with professional ethics? Is the auditor correct, honest, and impartial? Is the decision based on personal interest? Who is it useful for? Does it meet moral standards?
- What will be the explanation and arguments of the decision if it becomes a subject of public interest / attention?

The fact that this or that behaviour, not all specific cases are mentioned and discussed in this document, does not preclude its inadmissibility or discretion from it; The conduct of the auditor in performing each action must be in accordance with the ethical principles established by the institution, the standards of professional conduct and the international standards in the field of public auditing.