**Decree #**

**of the Government of Georgia**

**14 September 2011 Tbilisi**

**On Introduction of Amendment in the Decree #1016 dated July 30, 2010 of the Government of Georgia “On Approval of the Code of Ethics of Internal Auditors”**

1. In accordance with the Article 63 of Common Administrative Code of Georgia, the “Code of Ethics of Internal Auditors”, approved by the Decree #1016 dated July 30, 2010 of the Government of Georgia “On Approval of the Code of Ethics of Internal Auditors” to be modified and formulated in the following wording as attached.
2. The decree enters into force on the date of its signature.

Prime-Minister **Nika Gilauri**

**Code of Ethics of Internal Auditors**

**Article 1. General Provisions**

1. The Code of Ethics of Internal Auditors (hereinafter – the Code) represents the unity of principles, regulating the rules of behavior of the personnel of the internal audit unit (hereinafter – internal auditors) in the process of conducting of public internal auditing activities.
2. The purpose of this Code is establishment of high ethical culture in internal auditor’s activities and facilitation of comprehensive and efficient fulfillment of professional obligations by internal auditors.
3. This Code is based on the Constitution of Georgia, Law of Georgia “On public Internal Auditing and Inspection”, Georgian legislation and the principles and norms of the Code of Ethics of Internal Auditors of the Institute of Internal Auditors (IIA).

**Article 2. Observance of the Code of Ethics of Internal Auditors**

1. Observance of the principles and norms specified in the Code is mandatory for all internal auditors in the process of implementation of internal audit activities.
2. Control of observance of the principles and rules of behavior specified in this Code shall be performed by the head of internal audit unit and the head of institution.

**Article 3. Principles of Professional Ethics of Internal Auditor**

The following principles shall be observed by internal auditors:

1. Integrity, which builds trust and thus form the basis of confidence towards their judgement;
2. Objectivity, which implies demonstration of high level of professional objectivity by internal auditors during collection, assessment and dissemination of information in the process of internal auditing. When forming opinion, internal auditors perform balanced assessment of all important circumstances and don’t let their own or other people’s interests influence them.
3. Confidentiality, which implies that internal auditors respect the value and principle of ownership of the collected information and don’t disclose is without due authorization, with the exception of special cases, when disclosure of information is dictated by legal or professional obligations.
4. Competence, which implies, that internal auditors use the knowledge, skills and experience, require for auditing activities.

**Article 4. The Rules of Behavior of Professional Ethics of Internal Auditor**

**1. Integrity**

Internal auditors shall:

* 1. Perform their activities in honest, fair and responsible manner;
  2. Act within the legislation and disclose information only in accordance with legislative and professional requirements;
  3. Not participate, knowingly, in illegal activities or get involved in actions, discrediting the profession or institution of internal auditor;
  4. Observe legally and ethically justified goals of the institution and contribute to their achievement.

**2. Objectivity**

Internal auditors shall:

* 1. Not participate in the actions or relations, which may impact the impartiality of their assessment or be perceived as such; the actions and relations, which might contradict the interests of the institution, might be perceived as such actions and relations;
  2. Not receive such things as gifts, which might impair their professional opinion or be perceived as such;
  3. Demonstrate all substantial facts, known to them, non-disclosure of which might impacts the report of internal audit.

**3. Confidentiality**

Internal auditors shall:

* 1. Demonstrate care when using information obtained during fulfillment of their obligations and protect it;
  2. Not use information for their personal purposes, which will contradict legislation and impair achievement of legal and ethical goals of the institution.

**4. Competence**

Internal auditors shall:

4.1. Participate only in the activities, for performance of which they have sufficient professional education, skills and experience;

4.2. Implement internal auditing activities in conformity with internal audit standards, internal audit methodology and other legal acts regulating internal audit;

4.3. Improve their qualification, knowledge, skills, capacities and competence on continuous basis.

**Article 5. The Scope of the Code of Ethics of Internal Auditors**

1. This Code shall apply to all employees of Internal Audit units of the institution (internal auditors), specified in the Law of Georgia “On Public Internal Audit and Inspection”, with the exception of the employees of inspection division (if applicable) within the internal audit unit of the institution.
2. The employees specified in p.1 of this Article are obliged to familiarize with the provisions of this Code prior to their appointment to the position, which shall be ensured by the head of internal audit unit.