

IIA INDONESIA Business Conduct and Ethics (The Code)			
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">SK NO.: 001/MB/2021</td> <td style="width: 33%;">EFFECTIVE DATE: 20 DECEMBER 2021</td> <td style="width: 33%;">VERSION: 001</td> </tr> </table>	SK NO.: 001/MB/2021	EFFECTIVE DATE: 20 DECEMBER 2021	VERSION: 001
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PREFACE

Good governance is fundamental to ensuring that IIA INDONESIA is independent and mission-driven, can create value, provide high-quality products and services, and effectively represent the broad interests of their membership. Recognizing the benefit in written guidelines to benchmark against when developing or revising governance documents and considering or debating acceptable practices, The IIA created the Guiding Principles for Effective Affiliate Governance (Principles).

Therefore, each staff, and volunteers including Board of Governors, must maintain integrity and behaviour, which cannot be negotiated and is a main priority in implementing IIA Indonesia Business Conduct and Ethics (The Code).

For achieving common objectives, maintaining IIA INDONESIA reputation and advancing IIA INDONESIA, we expect that all Staff and Volunteers to know, understand and implement those principles in executing tasks and meeting responsibilities at IIA INDONESIA.



Angela Indirawati Simatupang
President

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1. Code of Ethics Purpose/Scope

INSTITUTE OF INTERNAL AUDITORS INDONESIA (IIA INDONESIA) is committed to the highest ethical standards in order to merit and maintain the confidence and trust of its members, stakeholders, and the public at large. Elected or Appointed Officers/Governors, Directors, Representatives, Members of Committees and Task Forces (collectively referred to as Volunteers) and IIA INDONESIA Staff must conduct their personal and professional affairs in full compliance with all laws and regulations and uphold IIA INDONESIA's integrity in such a manner that does not result in adverse comments which may in any way impair and/or damage IIA INDONESIA IIA INDONESIA's reputation.

The Code of Business Conduct and Ethics (The Code) assists Volunteers and Staff to promulgate and uphold a culture of honesty and accountability. Through this Code, IIA Indonesia strives to provide and maintain guidance and mechanisms for its Volunteers and Staff to deal with ethical issues.

All Volunteers and Staff are responsible for knowing and complying with the Code and all other policies of IIA INDONESIA.

No code of business conduct and ethics can replace the thoughtful behavior of each Volunteer or Staff member. Likewise, no code of business conduct can cover all situations. When in doubt, ask yourself these questions:

Would my action inspire trust?

- Is my action legal? If legal, is it also ethical?
 - Are my actions honest in every respect? Will they appear as such?
 - Is anyone's life, health, safety or privacy endangered/adversely affected by this action?
- Can I defend this action with a clear conscience before my fellow members and the general public?
- Would I be concerned to read about my action in the media?

2. Conflicts of Interest Policy

IIA INDONESIA must protect the interests of our members, stakeholders, and our professional integrity and should not engage in activities that create actual, apparent, or potential conflicts of interest. The purpose of this policy is provide guidance to Volunteers and Staff on identifying and disclosing actual and potential conflicts, and help to avoid conflicts of interest where necessary.

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A *conflict of interest* is defined as Volunteers' or Staff members' involvement in outside activities which might either conflict with their duty to IIA INDONESIA or adversely affect their judgment in performance of their board or IIA INDONESIA operations responsibilities. It is the responsibility of Volunteers and Staff to protect themselves and IIA INDONESIA from situations involving actual or potential conflicts of interest, and to avoid personal transactions or situations in which their own interests either are, or appear to be, in conflict with those of IIA INDONESIA. Furthermore, such activities or relationships must not influence or appear to influence decisions of the Volunteers or Staff or impair objectivity in the performance of assigned responsibilities, or discredit the name and reputation of IIA INDONESIA.

Volunteers and Staff may not, without full disclosure to, and advance approval by IIA INDONESIA; and pursuant to any related procedures adopted by the Board:

- Provide goods or services (i.e. training) to IIA INDONESIA as a paid vendor to IIA INDONESIA. Unless otherwise disclosed and discussed by the board.
- Hold financial interest in any organization with whom we conduct business with;
- Engage in any outside business, professional or other activities that would directly or indirectly materially adversely affect IIA INDONESIA;
- Disclose or use information of IIA INDONESIA in any way which would injure or compromise the interest of IIA INDONESIA;
- Abuse their position with IIA INDONESIA by improperly using their position or IIA INDONESIA Staff (where applicable), services, equipment, materials, resources, or property for their personal or third-party gain or pleasure;
- Use knowledge gained from volunteering or working for the IIA INDONESIA or using IIA INDONESIA role to gain benefit in other work not connected directly with IIA INDONESIA.

When there is a decision to be made or an action to be approved that will result in a conflict between the best interests of IIA INDONESIA and the Volunteers' or Staffs' personal interests, the Volunteer or Staff has a duty to immediately disclose the conflict of interest so that the rest of the Board's or IIA INDONESIA management team will be informed about the conflict.

Any violation of the above without full disclosure will be investigated by the board to identify an appropriate consequence, including but not limited to, removal from the board in accordance with IIA INDONESIA bylaws or termination.

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Annually, and upon joining the board, Volunteers and Staff must complete the Conflict of Interest Declaration Statement found in Appendix A.

3. Compliance with Ethics of the Internal Audit Profession

It is the responsibility of each Volunteer and Staff to conduct any activities performed on behalf of IIA INDONESIA in accordance with The Institute of Internal Auditors (IIA) *International Professional Practices Framework (IPPF)*, internal auditors are expected to apply and uphold the following principles:

1. **Integrity** -The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgment.
2. **Objectivity** - Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgments.
3. **Confidentiality** – Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.
4. **Competency** - Internal auditors apply the knowledge, skills, and experience needed in the performance of internal audit services.

IIA INDONESIA Volunteers and Staff are expected to uphold each of The IIA's aforementioned principles to set the standard and be an example for IIA INDONESIA members and stakeholders to maintain or increase our credibility with those we serve.

4. Adherence and Compliance with The IIA's Master Relationship Agreement (MRA)

IIA INDONESIA is the official and exclusive representative of The Institute of Internal Auditors (The IIA) in the country of INDONESIA. Through the Master Relationship Agreement (MRA), IIA INDONESIA represents The IIA on all matters concerning the profession of internal auditors consistent with the guidance and positions of The IIA.

Volunteers and Staff are expected to adhere and comply with the obligations of IIA INDONESIA as stated in the MRA, Article 2, section 4.

Obligations of Institute. *Institute is responsible for promoting and advancing the profession of internal audit within the Exclusive Territory. Institute represents that it is a member controlled*

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incorporation, in good standing as defined in its Exclusive Territory in which Institute has its primary place of business, and that it will comply with all applicable laws governing it.

Institute's constitution, bylaws, and other governing documents may not conflict with the principles promulgated by The IIA or this Agreement except as required by local law. Any variation must be reported to The IIA. The IIA may approve exceptions. Institute agrees to provide The IIA with electronic copies of Institute's governing documents upon request and as they are amended from time to time.

The Institute may not modify or translate the IPPF including, Standards, Code, Definition of Internal Auditing, Position Papers, Practice Advisories, or Practice Guides without written approval by The IIA. Institute is invited to comment on any proposed changes to the IPPF during any exposure process.

5. Compliance with Local Regulation/Laws/Rules

IIA INDONESIA is committed to full compliance with the laws of the cities, provinces, and country in which it operates. No Volunteer or Staff shall knowingly engage in any activity in violation of any such law or knowingly assist any other person in doing so.

In addition, no Volunteer or Staff shall knowingly engage in any transaction relating to, or in the name of IIA INDONESIA, which is not appropriately recorded in the books and records of IIA INDONESIA.

6. Ethical Principles

IIA INDONESIA Volunteers and Staff are expected to exhibit individual leadership as a role model for maintaining the highest standards of ethical conduct. Each Volunteer and Staff is expected to set the standard and be an example for others and to earn individual respect and increase our credibility with the members and stakeholders whom we serve.

Volunteers and Staff should:

- Be ethical; act ethically in every professional interaction.
- Question individual and group actions when necessary to ensure that decisions are ethical and are implemented in an ethical manner.
- Seek expert guidance from our Board or IIA INDONESIA Management if ever in doubt about the ethical propriety of a situation.

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- Through teaching and mentoring, champion the development of others as ethical leaders in the profession and in organizations.

7. Confidentiality Statement

Respecting the privacy of our members, donors/sponsors, members, Staff, and volunteers is an important value of IIA INDONESIA. Personal and financial information and opportunities is confidential and should not be disclosed or discussed with anyone without writtern permission or authorization from the board.

Volunteers and Staff should refrain from discussing, and more importantly, pursuing professional development opportunities that were presented as an education or training opportunity for IIA INDONESIA.

Care shall also be taken to ensure that unauthorized individuals do not overhear any discussion of confidential information and that documents containing confidential information are not left in the open or inadvertently shared.

Furthermore, Staff, Volunteers and board members of IIA INDONESIA may be exposed to information which is confidential and/or privileged and proprietary in nature. It is the policy of IIA INDONESIA that such information must be kept confidential both during and after employment or volunteer service. Staff and volunteers, including board members, are expected to return materials containing privileged or confidential information at the time of separation from employment or expiration of service. Unauthorized disclosure of confidential or privileged information is a serious violation of this policy and will subject the person(s) who made the unauthorized disclosure to appropriate discipline, including removal/dismissal.

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Appendix A:

Conflict of Interest Declaration Statement

With regard to my service as a member of Board of Governors of IIA INDONESIA, I hereby declare that:

☐ I have no personal interest, direct or indirect, in any matter that raises or may raise a conflict with my duties as a Governor.

☐ I have personal interest, direct or indirect, in any matter that raises or may raise a conflict with my role and responsibilities as a Governor. The particulars of such matter are stated below:

I also acknowledge that I shall make another declaration to state any change in any matter contained in this declaration at the earliest opportunity after the change occurs and shall provide further information on the particulars contained in this declaration if so required by IIA INDONESIA.

Signature: _____

Name: _____

Date: _____