

KINGDOM OF CAMBODIA
Nation Religion King

Non-bank Financial Services Authority
No. 034 F.S.A.P.K.

PRAKAS
On
THE CODE OF ETHIC FOR AUDITOR OF INTERNAL AUDIT UNIT
OF NON-BANK FINANCIAL SERVICES AUTHORITY

Deputy Prime Minister
Minister of Economy and Finance

And the Chairman of the Board of the Non-Bank Financial Services Authority

- Having seen the Constitution of the Kingdom of Cambodia;
- Having seen the Royal Degree No. NS/RKT/0918/925 on 06 September 2018 on the Appointment of the Royal Government of the Kingdom of Cambodia;
- Having seen the Royal Degree No. NS/RKT/0320/421 on 30 March 2020 on the Appointment and Modification to the Components of the Royal Government of the Kingdom of Cambodia;
- Having seen the Royal Kram No. NS/RKM/0618/012 on 28 June 2018 Promulgating the Law on the Organization and Functioning of the Council of Ministers;
- Having seen the Royal Kram No. NS/RKM/0169/18 on 24 January 1996 Promulgating the Law on the Establishment of the Ministry of Economy and Finance;
- Having seen the Royal Kram No. NS/RKM/0300/10 on 3 March 2000 Promulgating the Law on Audit of the Kingdom of Cambodia;
- Having seen the Royal Kram No. NS/RKM/0121/003 on 16 January 2021 Promulgating the Law on the conduct of Non-Bank Financial Services Authority;
- Having seen the Sub-Degree No. 113 SD.PK on 14 July 2021 on the Conduct of Unit under Non-Bank Financial Services Authority;
- Having seen the Sub-Degree No. 40 SD.PK on 15 February 2005 on Organization and Functioning of Internal Audit in Institutions, Ministries and Public Enterprises;
- Having seen the Prakas No. 009 FSA.PK on 01 October 2021 on the Conduct of Departments under Internal Audit Unit of Non-Bank Financial Services Authority;
- According to the need of the Internal Audit Unit of Financial Services Authority.

HEREBY DECIDE

CHAPTER I GENERAL PROVISION

Article 1.-

This Prakas are for objectives to determine the principles of code of ethics, prescribe the mechanisms and procedures for evaluation the performance of principles of code of ethics, the obligations, and the measures against auditors of Internal Audit Unit of Non-Bank Financial Services Authority (**FSA**) for non-compliance in order to obtain the dignity, professional competency and audit quality, and to promote the ethics in the internal audit professional.

Article 2.-

This Prakas is applicable for auditors of Internal Audit Unit of **FSA**.

CHAPTER II THE APPLICATION OF PRINCIPLES OF CODE OF ETHICS

Article 3.-

Auditors shall apply the principles of code of ethics including integrity, unbiased, independence, conflict of interest, confidentiality, professional competency and professional attitude.

Article 4.-

Auditors of Internal Audit Unit of **FSA** shall apply the integrity principle in making the judgement related to the audit work. Auditors shall adhere to the following attitude:

- Shall perform the tasks honestly, carefully, and responsibly;
- Shall disseminate information as prescribed by law and profession;
- Shall respect and perform the tasks in compliance with laws, policies, guidelines and regulations, requirements, procedures, and obligations related to the audit and ethics;

- Shall not engage in illegal activities or activities that will lead to harm the audit professional or the honor of the Royal Government.

Article 5-

Auditors of Internal Audit Unit of **FSA** shall apply the unbiased principle in collecting, evaluating and reporting the information of activities or controlling processes. In all circumstances, auditors shall properly evaluate, not consider the personal interests and not to be influenced from others in performing the tasks. Auditors shall adhere to the following attitudes:

- Shall not engage in activities or relationships that affect or maybe affect the unbiased principle in the assessment;
- Shall not agree with anything that could affect or maybe affect the professional judgment;
- Shall disclose all necessary facts, if auditors think the non-disclosure of such necessary facts will lead to the mistake in the reporting of activities to be controlled;
- Shall settle objectively the challenges in the performance and in the controlling;
- Shall prepare the audit report accurately and objectively. Opinions, recommendations and reporting shall base on evidences in accordance with the audit standards of the Internal Audit Unit of **FSA**;
- Shall use the information obtained from auditees and other credible sources in elaboration of opinion and adhere to unbiased principle;
- Shall collect opinions from auditees, but the opinions of auditors shall not be influenced by such opinions.

Article 6.-

Auditors of Internal Audit Unit of **FSA** shall apply the independent principle in audit activities, meaning that they perform duties freely, unbiased, respect the law, abide by the

principles, regulations, requirements and procedures. Auditors shall adhere to the following attitudes:

- Shall provide the balance in judgment without partisanship that leads to inaccuracy and imperfect in audit tasks;
- Shall not subordinate to auditees or third parties. Auditors shall use all measures to enhance and safeguard the independent and shall not take any actions that will lead to the loss of independence;
- Not only safeguard independence and unbiasedness in audit tasks, but also manifested through external attitudes.

Article 7.-

Auditors of Internal Audit Unit of **FSA** shall apply the conflicts of interest principle in the operation including money, politic influence, own family's and/or personal benefit that could influence on the execution of his or her duties. Auditors shall adhere to the following attitudes:

- Shall not have interest by receiving gifts that may influence or thinking that maybe influence on his or her independence or integrity;
- Shall not have any relationship with the person in charge, auditee's official and the third parties that may influence, affect or threaten the independence of auditor performance;
- Shall not use his or her own position to take advantages and shall not have any relationship that will lead to the corruption or that will lead to the suspect on his or her objectivity and independence;
- Shall not use the auditee's confidential information to take advantages for his or her own or for the third parties.

Article 8.-

Auditors of Internal Audit Unit of **FSA** shall apply the professional confidentiality principle and shall not disseminate information to third parties without approval from the head of Internal Audit Unit of **FSA** except the disclosure of information as required by the regulation.

Auditors shall adhere to the following attitudes:

- Shall carefully use and protect the information received from auditees;
- Shall keep professional confidential in all circumstances, especially the closed relationship with person in charge of auditees or relatives and/or family members, that will cause the loss of confidence and lead to the leak of confidential information;
- Shall adhere to the principles of professional confidentiality in all circumstances, even after terminating relationship with the auditees or changing the job;
- Shall not use the information for own interest or against the law;
- Shall not provide confidential information from the audit to the third parties by any means;
- Shall not request auditee any documents irrelevant to the topics of audit;
- Shall comply with the existing laws and regulations.

Article 9.-

Auditors of Internal Audit Unit of **FSA** shall apply professional competence principle. Auditors shall adhere to the following attitudes:

- Shall perform tasks that the auditors have enough competence including knowledges, skills and experiences;
- Shall perform the audit in compliance with the standard operating procedure of the Internal Audit Unit of **FSA**;

- Shall enhance the skills, the efficiency and the quality of work;
- Shall adhere to professional ethics in all circumstances and use with care the auditing standards of the Internal Audit Unit of **FSA** in audit;
- Shall be clear about the law, the sub-decree, the Prakas, the principles and regulations and the standard operating procedure of auditees;
- Shall use the applicable technical standards, policies, guidelines, circulars, audit procedures, accounting procedures and financial management procedures;
- Shall obey the constitution, laws, existing regulations and the standard operating procedure of auditees;
- Shall not perform the tasks that the auditors are not competent.

Article 10.-

Auditor of Internal Audit Unit of **FSA** shall apply professional attitude principle by adopting the appropriate attitude and the dignity of the profession and avoid any acts that will lead to dishonor the profession. Auditors shall adhere to the following attitudes:

- Shall adopting the appropriate attitude and the dignity of the profession and avoid any acts that will lead to dishonor the profession and organization;
- Shall adopting the good behavior with dignity, honor, flexibility, gentleness, diligence and thoroughness;
- Shall have the art of communication in work's performance;
- Shall communicate with respect, tolerance and use the good words;
- Shall not make dispute with other auditors;
- Shall not insult by using inappropriate words to other auditors or make unreasonable comparisons without evidences.

CHAPTER III

MECHANISMS, PROCEDURES, MONITORING AND EVALUATING OF THE IMPLEMENTATION OF PRINCIPLES OF CODE OF ETHICS

Article 11.-

The Internal Audit Unit of **FSA** shall establish the Committee for Monitoring and Evaluating the implementation of principles of code of ethics. Components, roles, and duties of the committee shall be determined by the decision of the Head of Internal Audit Unit of **FSA**.

Article 12.-

The Committee for Monitoring and Evaluating shall establish the evaluating form based on the application of principles of code of ethics. The monitoring and evaluating of principles of code of ethics shall be performed by the auditors themselves and the hierarchy.

Article 13.-

The auditor of Internal Audit Unit of **FSA** and the hierarchy shall fill the evaluating form that has been prepared by The Committee of Monitoring and Evaluating.

Article 14.-

The Committee of Monitoring and Evaluating shall arrange the meeting to review the result of the implementation of the principles of code of ethics of the auditors of the Internal Audit Unit of **FSA**.

Article 15.-

The Committee of Monitoring and Evaluating shall prepare the certificate of appreciation for auditors of the Internal Audit Unit of **FSA** to acknowledge the good implementation of principles of code of ethics.

CHAPTER IV

THE OBLIGATION AND DISCIPLINARY MEASURES

Article 16.-

Auditor of the Internal Audit Unit of **FSA** shall have following obligation:

- Shall follow the code of conduct for managing the **FSA**' officials and statute of **FSA**' officials statute;
- Shall apply the principle code of ethics as prescribe in chapter 2 of this Prakas;
- Shall be responsible for the tasks assigned by the management;
- Shall provide a good cooperation with officials of units under **FSA**;
- Shall conduct the audit of the units under **FSA** in accordance with the action plan of the Internal Audit Unit of **FSA**;
- Shall collect, compile and safeguard of all information and evidence both hard copy and soft copy of the auditees at least for the period of 10 years;
- Shall obey other obligation as prescribed in existing law and regulations.

Article 17.-

The Head of Internal Audit Unit of **FSA** shall monitoring and evaluating the performance of auditors of Internal Audit Unit of **FSA** to ensure the effectiveness of the implementation of this principles of code of ethics by establishing The Committee of Monitoring and Evaluating to perform the above roles and duties.

Article 18.-

Auditors of the Internal Audit Unit of **FSA** who negligence or dishonesty in the execution of their roles and responsibilities shall be guided by the Head of Internal Audit Unit of **FSA** or received administrative measures as prescribed by the existing regulations.

CHAPTER V
FINAL PROVISION

Article 19.-

Any provisions contrary to this Prakas are hereby abrogated.

Article 20.-

Head of Internal Audit Unit of **FSA**, Deputy Head of Internal Audit Unit, Director of Department, Deputy Director of Department, Head of Division, Deputy Head of Division and all Internal Auditors of **FSA** shall comply with this Prakas from the date of signing.

Phnom Penh, 04 August 2022

Deputy Prime Minister

Minister of Economy and Finance

And The Chairman of the Board of Non-Bank Financial Services Authority

Receiving Places:

- Cabinets of His excellence Akak
Bandith Saphearchar, Deputy Prime
Ministers and The Chairman of Board
of Non-Bank Financial Services
Authority
- Internal Audit Unit of **FSA**
- Archives-Records.

Akak Bandith Saphear Char AUN PONMONIROTH