

All Internal Auditors will be subject to the following Code of Ethics and Discipline Policy.

## CONFIDENTIALITY

Internal Auditors must ensure that all information obtained through the audit process is treated as confidential and must not be disclosed to parties other than the employer and the AMTA except where authorized or legally obligated to do so. Internal Auditors must always maintain the confidentiality of the interview process.

## PROFESSIONAL CONDUCT

Internal Auditors shall always behave in such a manner that their good faith and integrity will not be called into question.

## DILIGENCE

Internal Auditors are expected to act in good faith, responsibly with due care, competence, diligence, and without misrepresenting material facts or allowing their independent judgment to be compromised. Internal Auditors will comply with all applicable laws, rules and regulations of Federal, Provincial and local governments as well as applicable regulatory agencies. Internal Auditors will ensure their work meets the following criteria:

- **Accuracy:** Internal Auditors must be accurate and consistent in their evaluation of data obtained through documentation, interviews, and observation.
- **Completeness:** Internal Auditors must ensure their results are complete and avoid any omissions relevant to the scope of their audit.
- **Clarity:** Internal Auditors must ensure their action items, suggestions for improvement, and notes, are clear, concise, reflective of the evaluation, and written in plain language.
- **Honesty:** Internal Auditors must be honest in their assessments and in their dealings with all persons involved in the process.
- **Opinion:** Internal Auditors must separate fact from opinion and be precise in their evaluations. Support for conclusions must be drawn from quantitative, measurable data.
- **Objectivity:** Internal Auditors must deal with facts and not allow personal feelings or prejudices to affect their evaluation. Evaluations must be based on objective and measurable data, not subjective opinions or assumptions.



- **Relevance:** Internal Auditors must ensure their action items and suggestions for improvement are relevant and will help improve their health and safety management system.
- **Timeliness:** Internal Auditors must ensure they comply with all requirements, including timeliness of completion, submission, and corrections.

**DUTY TO REPORT**

If an Internal Auditor encounters a situation where another auditor has violated the Code of Ethics or engaged in unethical audit practices, this must be reported to the AMTA immediately.

**COMPLIANCE WITH PARTNERSHIPS STANDARDS**

Internal Auditors must follow all evaluation and quality assurance standards as established by the AMTA and AEI.

**DISCIPLINE**

Any Internal Auditor who violates any of the Code of Ethics may be subjected to the discipline policy as described in "Appendix A"

By signing below, I, \_\_\_\_\_

hereby agree that I have read, fully understand, and agree to be bound by the Internal Auditors Code of Ethics and Discipline Policy.

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Legal Company Name

\_\_\_\_\_  
Date

## Internal Auditor Code of Ethics and Discipline Policy

### “Appendix A”

#### Code of Ethics Disciplinary Policy

The AMTA may become aware of concerns that an auditor may have breached the auditor code of ethics, either through our own review or from information given by a third party. If a concern is raised by a third party, it must be sent to the AMTA in writing, stating the rationale for the complaint, and it must be signed by the complainant.

If the AMTA believes an auditor has breached the auditor code of ethics, the AMTA will conduct a review into the circumstances and consider all facts and the concerns of the affected parties. This review will be documented and the findings will be retained in the auditors file. If the initial review indicates that a breach is likely to have occurred, the AMTA will move to step 1 of the disciplinary process.

**Step 1:** The AMTA will call the auditor and discuss the issue. If there is agreement between the auditor and the AMTA that a minor breach has occurred, this will be followed by a letter documenting the details of the breach and specifying the penalties for the auditor. If the auditor does not agree that a breach has occurred, the process will move to step 2 of the procedure.

If a significant or serious breach of the auditor’s code of ethics may have occurred, the process automatically moves to step 2. At the discretion of the AMTA, a temporary suspension may also be invoked and the rationale for the suspension will be documented.

**Step 2:** The AMTA will schedule a formal meeting with the auditor to review the issue. The details of the alleged breach as well as the date, time, and location of the meeting will be documented in a letter and sent to the auditor via registered mail or other secure delivery method.

At the meeting, the auditor will be entitled to respond to the allegations. The AMTA will provide a written decision to the auditor no later than 14 days calendar days after the meeting. The letter will be sent via a secure delivery method.

#### Severity of a Breach of the Auditor’s Code of Ethics

The following guidelines will be used to determine the severity of a breach of the code of ethics.

##### **A) Minor Infraction**

This may be a first time violation of the auditor’s code of ethics. This may include issues arising when the audit findings are basically unaffected but there are aspects of the auditors conduct that do not meet the intent of the code. To be considered minor, the affected parties must not have suffered any economic loss as a result of the breach. Any

issues that place the auditor in a conflict of interest situation, or compromise the confidentiality of the audit, or which involve corporate opportunity cannot be considered to be a minor infraction.

**B) Significant Infraction**

This applies if the auditor compromises the integrity of the audit findings. The violation may result in some form of economic loss to the employer. A second breach of the auditor's code of ethics is considered to be a significant infraction. Any issues that place the auditor in a conflict of interest situation, or compromise the confidentiality of the audit, or which involve corporate opportunity is automatically considered to be a significant infraction.

**C) Serious Infraction**

A third time breach of the auditors code of ethics is considered to be a serious infraction. The violation may result in a major economic loss to the employer. Depending on the circumstances of the issue, a first or second time violation may be considered as a serious infraction.

**Penalties for breaching the Auditor's Code of Ethics**

If the AMTA finds that the auditor has breached the auditor code of ethics, the appropriate penalty for the auditor will depend upon the circumstances and severity of the breach. and if the auditor has committed previous infractions.

**The penalties for a first breach of the Auditor Code of Ethics include the following:**

**Minor Infraction:** the auditor will receive one or more of the following:

- The auditor will write a letter of apology to the parties involved
- The auditor will complete refresher training
- The auditor's certification may be suspended for a period of up to six (6) months and the auditors name will be temporarily removed from the AMTA list of approved auditors.

**Significant Infraction:** The auditor's certification will be suspended for a period of at least six (6) months but not more than one (1) year. The auditor must successfully complete auditor training and submit a new qualification audit. The auditor will be removed from the AMTA list of approved auditors until certification is restored.

**Serious Infraction:** The auditor's certification will be permanently revoked. The auditor will be removed from the AMTA list of approved auditors.

**The penalties for a second breach of the Auditor Code of Ethics include the following:**

**Significant Infraction:** The auditor's certification will be suspended for a period of at least six (6) months but not more than one (1) year. The auditor must successfully complete auditor training

and submit a new qualification audit. The auditor will be removed from the AMTA list of approved auditors until certification is restored.

**Serious Infraction:** The auditor's certification will be permanently revoked and the auditor will be removed from the AMTA list of approved auditors.

The penalty for a third breach of the Auditor Code of Ethics is permanent revocation of the auditors certification The auditor will be removed form the AMTA list of approved auditors.

#### **6.4 Auditors Who Fail to Meet the Audit Quality Assurance Standards**

AEI has established quality assurance standards for audits as outlined in the Standards for Certifying Partner Quality Assurance. The AMTA must review all audits to ensure that these standards have been met. The AMTA will communicate the results of the quality assurance review to the auditor in a timely fashion. The auditor will have 30 days following notification of audit deficiencies to make corrections and re-submit the audit to the AMTA for re-review.

While some deficiencies may occur in the normal course of auditing, two situations may arise that will invoke the Auditor Discipline Policy.

- If the auditor fails to meet quality assurance standards after three (3) unsuccessful attempts at the same audit.
- If the auditor demonstrates a consistent pattern of failing to meet quality assurance standards. This may include situations where the auditor repeats the same errors after being advised of the deficiencies.

If the AMTA determines that the disciplinary process should be invoked, the following process will apply.

**Step 1:** The AMTA will call the auditor and discuss the audit deficiencies. A meeting with the auditor may also be held at the request of either party. The auditor will receive a formal warning letter outlining the concerns and the potential penalties if the auditor's performance does not improve. In addition, the AMTA may impose one of the following penalties:

- The auditor may not conduct new audits until successful completion of auditor refresher training.
- The auditor may not conduct new audits until the auditor training course has been repeated and a new qualification audit is submitted for quality assurance review.
- The auditor will be removed from the AMTA list of approved auditors until re-training has been completed.

If after reinstatement an auditor continues to submit audits that do not meet with the standards, the process will move to step 2.

**Step 2:** The auditor will be required to appear at a formal meeting with the AMTA. The details of the audit deficiencies and the date, time, and location of the meeting will be documented in a letter and sent to the auditor via a secure form of mailing.

At the meeting the deficiencies will be reviewed and the auditor will be given the opportunity to respond. The AMTA will provide a written decision to the auditor within 14 calendar days of the meeting and the decision of the AMTA will be final.

If the AMTA determines the auditor performance does not meet with Partnerships standards, the auditor's certification will be revoked for a period of not less than six (6) months or more than one (1) year. To be recertified, the auditor must repeat auditor training and submit a new qualification audit. The auditor will be removed from the AMTA list of approved auditors.

**Step 3:** If an auditor who has been reinstated after a suspension continues to submit audits that do not meet Partnerships standards the auditor certification will be permanently revoked and the other Certifying Partners will be notified.

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