



BC Forest Safety Council Auditor Code of Ethics

Overview

The BC Forest Safety Council is responsible for overseeing and maintaining the integrity of the external auditors program, which includes addressing issues around the requirements of professional responsibility. The Council's Code of Ethics is intended to promote an ethical and cooperative culture in the SAFE Company program among all auditors.

The standards set forth in this document provide basic principles in auditor conduct and are the standard that is expected of all auditors. The responsibilities that the auditor has during the audit process place high ethical demands on their conduct and business practices.

Auditors are to conduct themselves in a manner consistent with the promotion of cooperation and good relations between auditors and the sector. The forest sector's confidence and respect which the auditor may enjoy is largely a result of the cumulative accomplishments of the auditors and the Council. It is therefore in the interest of all auditors that they deal with the membership of the BC forest sector in a fair and balanced approach.

The Council's Auditor Code of Ethics are based on two components:

1. **Principles** that are relevant to the profession and the practice of auditing.
2. **Rules of Conduct** that describe expected behaviour of auditors. The rules are intended as an aid to interpreting the Principles into practical application and are intended to guide the ethical conduct of auditors.

The Code of Ethics, together with the Council's SAFE Companies Procedures & Guidelines manual, provides guidance to auditors certified under the SAFE Companies program.

Applicability and Enforcement

This Code of Ethics is directed at internal, external and student auditors, as well as all other individuals working on a SAFE Company audit. Breaches of the Code of Ethics will be reviewed and administered according to the Council's Auditor Infraction and Disciplinary process as presented on pages 4-6 on this document. Even though a particular conduct is not mentioned in the Rules of Conduct it does not prevent it from being unacceptable or discreditable.

The following are the Principles and Rules of Conduct that guide the auditor practices of the Council's SAFE Companies program and enable the organization to achieve its priorities.

Principles

Integrity

The integrity of auditors establishes trust and provides the basis for reliance on their judgement. Integrity requires auditors to observe both the form and spirit of auditing standards. It also requires auditors to observe the principles of independence, objectivity, standards of professional conduct, and absolute honesty in their work.

Auditors shall:

- Follow high standards of honesty, fairness, integrity and ethical conduct;
- Respect and act with dedication to the program goals and vision;
- Conduct business in an honest and fair manner, without actual or apparent conflict of interest;
- Advise the Council in writing with reasons, whenever the activities or conduct of an auditor appear to be in conflict with this Code of Ethics;
- Not be associated with any report, statement or representation known to be false or misleading;
- Respect the integrity of other auditors, recognizing their different experiences and areas of expertise;
- Comply with Workers Compensation Act and the Occupational Health and Safety Regulations, as well as all other applicable laws and regulations;
- Not represent themselves as employees or contractors for the BC Forest Safety Council at any time.

Objectivity

Auditors must exhibit the highest level of professional objectivity in gathering, evaluating and communicating information about the audit activities. They must make a balanced assessment of all the relevant circumstances and are not to be unduly influenced by their own interests or by others when forming judgments. It is essential that auditors are independent and impartial, not only in fact but also in appearance.

Auditors shall:

- Conduct the audit as instructed by the Audit Protocol without bias, prejudice, variance or compromise;
- Remain free of any influence, interest or relationship that impairs professional judgement, independence or objectivity while providing auditing services.
- Auditors must not market their services at anytime during the audit process;
- Disclose any potential personal or perceived conflict of interest during initial contact or communication with a client. External auditors are not permitted to

- audit companies where they have an affiliation through family or have engaged in work with this company in the past 12 months, or received an economic benefit.
- Protect their independence and not accept any gifts of gratuities which could influence, compromise or threaten the ability of the auditor to act and be seen to be acting independently
 - Maintain both the actual and perceived political neutrality in order to discharge their duties and responsibilities in an impartial way.

Confidentiality

Auditors must respect the value and ownership of information they receive during an audit and do not disclose information to any third party, orally or in writing, without appropriate authority, and unless there is a legal or professional obligation to do so.

Auditors shall:

- Maintain the confidentiality of information received during the audit;
- Be prudent in the use of information acquired in the course of their work;
- Take all reasonable steps to protect the confidentiality of the audit results, data collected and the anonymity of interviewees;
- Not use audit information for any personal gain, financial or otherwise that would be contrary to the law, the audit process or detrimental to the Council;
- Not share, either for profit or otherwise, any SAFE Company process or program materials to others developed by or for the Council without the written permission of the Council.

Competency

Auditors must apply the knowledge, skills and experience needed in the performance of auditing services.

Auditors shall:

- Engage in those services only for which they have the necessary knowledge, skills, and experience and not assign or subcontract any obligation of the audit program;
- Be consistent and accurate in their evaluations of data obtained through documentation, interviews and observation;
- Strive to be complete in their evaluations and avoid any omissions;
- Separate fact from opinion clearly and concisely in their evaluations. Support for auditor opinions must be derived from quantitative, measurable data;
- Serve the client in a conscientious, diligent, respectful and efficient manner;
- Conduct themselves with the utmost of professionalism and without bias or prejudice at all times when conducting audits or communicating with clients and the Council;
- Assist clients with any post audit questions, such as recommendations or explanations of results;
- Commit to honest, thorough and straightforward communication in the performance of audit activities;

- Continually seek to maintain and improve their proficiency, effectiveness and quality of their skills;
- Willingly and openly share their collective knowledge and always be in the pursuit of the truth and enhancement of health and safety in the forestry sector;
- Uphold the excellence of the SAFE Companies program and work to improve the audit process and program.

Auditor Infraction and Disciplinary Process

The Code of Ethics are the accepted practices that surround the auditor during the audit process. Violations of these are considered to be serious in nature, and will result in swift intervention by the Council. In particular, the following sanctions may be administered to the auditor for violations of the Code depending on the situation:

1. Formal letter advising the auditor of the violation, a restatement of the required standard, and a stipulation to not have this reoccur.
2. A requirement to have retraining undertaken by the auditor
3. Suspension of the auditors certification
4. Permanent removal of the auditors certification

All sanctions against an auditor will involve a full investigation before any actions are taken. The Council is not required to apply progressive discipline in situations which are serious in nature and warrant severe penalties up to and including permanent removal of certification. Sanctions may include a combination of discipline, such as suspension as well as a requirement to be retrained in the program.

As part of the Code of Ethics, auditors will cooperate fully with an inquiry in the event of a breach of this Code of Ethics.

The fact that a particular conduct is not mentioned in this document does not prevent an action from being unacceptable, and therefore, an auditor or institution can be liable for disciplinary action.

Examples of auditor violations and resulting actions from the Council:

Auditor Violation	1st Occurrence	2nd Occurrence	3rd Occurrence
Incomplete, incorrect, or insufficient audit data submitted with audit.	<ol style="list-style-type: none"> 1. Consultative phone call from Council. 2. Audit returned with letter outlining problem. 3. Audit must be resubmitted with corrected information. 	<ol style="list-style-type: none"> 1. Phone call from Council, audit returned outlining problem, and audit must be resubmitted with correct information. 2. Temporary suspension of auditor's certification pending review. 	<ol style="list-style-type: none"> 1. Phone call from Council. 2. Further sanctions and consequences as deemed necessary by Council.
Manipulation of audit data to alter results.	<ol style="list-style-type: none"> 1. Investigation by Council, with possible sanctions against auditor. 	<ol style="list-style-type: none"> 1. Immediate suspension of auditor's certification for 1 year. 2. Requirement to retake auditor's course. 	<ol style="list-style-type: none"> 1. Permanent removal of auditor certification.
Unprofessional conduct by Council auditor (use of profanity, failure to use PPE, discriminatory practices, etc).	<ol style="list-style-type: none"> 1. Investigation by Council, with possible sanctions against auditor. 	<ol style="list-style-type: none"> 1. Requirement to retake auditor's course. 2. Suspension of auditor's certification until this is completed. 	<ol style="list-style-type: none"> 1. Suspension of auditor's certification for a period of not less than 1 year.
Reveal confidential information to a source outside the Council.	<ol style="list-style-type: none"> 1. 6 month suspension of auditors certification 	<ol style="list-style-type: none"> 1. Requirement to retake auditor's course. 2. Suspension of auditor's certification for 1 year 	<ol style="list-style-type: none"> 1. Permanent removal of auditor certification.
Marketing of data or services during the audit process.	<ol style="list-style-type: none"> 1. Requirement to retake auditor's course. 2. 6 month suspension of auditor's certification. 	<ol style="list-style-type: none"> 1. Suspension of auditor's certification for 1 year. 	<ol style="list-style-type: none"> 1. Permanent removal of auditor certification.

Auditor Violation	1st Occurrence	2nd Occurrence	3rd Occurrence
Conduct an audit outside the auditor's scope of knowledge.	<ol style="list-style-type: none"> 1. Suspension of auditor's certification for 6 months. 2. Requirement to retake the auditor's course. 	<ol style="list-style-type: none"> 1. Suspension of auditor's certification for 1 year. 	<ol style="list-style-type: none"> 1. Permanent removal of auditor certification.
Knowingly be a part of an illegal activity during the audit.	<ol style="list-style-type: none"> 1. Suspension of auditor's certification for a period of not less than 1 year. 	<ol style="list-style-type: none"> 1. Permanent removal of auditor certification. 	Not applicable
Accepted a gratuity or monies for the audit outside of the contractual agreement.	<ol style="list-style-type: none"> 1. Suspension of auditor's certification for 6 months. 2. Requirement to retake the auditor's course. 	<ol style="list-style-type: none"> 1. Suspension of auditor's certification for 1 year. 	<ol style="list-style-type: none"> 1. Permanent removal of auditor certification.

I agree to abide by the SAFE Companies Code of Ethics:

 Name (Print and signature) Date

Guide to Auditor Professional Conduct

Overview

Auditors are expected to act in a responsible, professional manner at all times when conducting an audit. To do otherwise will cause an immediate suspension of the auditor's license to audit for the Council, pending an internal review of the situation. To be clear around expectations, this document is produced to guide the auditor around problems that may be generated due to unauthorized behavior.

Conduct of Auditors

At no time shall profanity be used in the presence of any member of the company being audited, or during communication with the Council

Auditors are to dress appropriately for the conditions encountered during the audit, but at all times are to be professional in appearance. This included having clean, well presented clothing (e.g. no holes, rips, or tears), and nothing showing inappropriate pictures or sayings which might be taken as offensive.

Auditors shall be professional in their conduct and speech with all persons involved with the audit, including the company employees, contractors, and the Council staff.

Auditors will not act discriminatorily in any way to any persons.

Honoring confidentiality is one of the cornerstones of the audit process, and with exception of the Council staff, communications regarding the audit to outside persons is forbidden.

Auditors will strive to achieve the highest quality and effectiveness in both the process and products of their professional work.

Auditors will promote the activities of the Council as part of their audit activities.

Auditors shall not violate the Code of Ethics.