

# Members' Code of Conduct



Prepared for Audit Scotland Board  
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Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively.

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# Guidance on the Code of Conduct

## Introduction

1. The Scottish public has a high expectation of those who serve on the boards of public bodies and the way in which they should conduct themselves in undertaking their duties for the public body. You must meet those expectations by ensuring that your conduct is above reproach and by embracing our core values, which are:
  - Independence, integrity and objectivity.
  - Valuing people and ensuring equality and fairness.
  - Effective communication.
2. As a member of Audit Scotland, it is your responsibility to make sure that you are familiar with, and that your actions comply with, the provisions of this Code of Conduct.
3. You must observe the rules of conduct contained in this Code. It is your personal responsibility to comply with these and review regularly, and at least annually, your personal circumstances with this in mind, particularly when your circumstances change. You must not at any time advocate or encourage any action contrary to the Code of Conduct.
4. The Code has been developed in line with the key principles listed in paragraph 6 and provides additional information on how the principles should be interpreted and applied in practice. No Code can provide for all circumstances and if you are uncertain about how the rules apply, you should seek advice from the Chief Operating Officer. You may also choose to consult your own legal advisers and, on detailed financial and commercial matters, seek advice from other relevant professionals.
5. You should familiarise yourself with the Scottish Government publication “On Board – a guide for board members of public bodies in Scotland”. This publication will provide you with information to help you in your role as a member of a public body in Scotland and can be viewed on the Scottish Government website.

## Key principles of the Code of Conduct

6. The general principles upon which this Code of Conduct are based are:

### **Duty**

You have a duty to uphold the law and act in accordance with the law and the public trust placed in you. You have a duty to act in the interests of Audit Scotland of which you are a member and in accordance with its core functions and duties.

### **Selflessness**

You have a duty to take decisions solely in terms of public interest. You must not act in order to gain financial or other material benefit for yourself, family or friends.

### **Integrity**

You must not place yourself under any financial, or other, obligation to any individual or organisation that might reasonably be thought to influence you in the performance of your duties.

### **Objectivity**

You must make decisions solely on merit and in a way that is consistent with the functions of Audit Scotland when carrying out public business including making appointments, awarding contracts or recommending individuals for rewards and benefits.

### **Accountability and stewardship**

You are accountable for your decisions and actions to the public. You have a duty to consider issues on their merits, taking account of the views of others and must ensure that Audit Scotland uses its resources prudently and in accordance with the law.

### **Openness**

You have a duty to be as open as possible about your decisions and actions, giving reasons for your decisions and restricting information only when the wider public interest clearly demands.

### **Honesty**

You have a duty to act honestly. You must declare any private interests relating to your public duties and take steps to resolve any conflicts arising in a way that protects the public interest.

### **Leadership**

You have a duty to promote and support these principles by leadership and example, to maintain and strengthen the public's trust and confidence in the integrity of Audit Scotland and its members in conducting public business.

### **Respect**

You must respect fellow members of Audit Scotland and its employees and the role they play, treating them with courtesy at all times. Similarly, you must respect members of the public when performing duties as a member of Audit Scotland.

7. You should apply the principles of this Code to your dealings with fellow members of Audit Scotland, its employees and other stakeholders. Similarly, you should also observe the principles of this Code in dealings with the public when performing duties as a member of a public body.

# General conduct

8. The rules of good conduct in this section must be observed in all situations where you act as a member of Audit Scotland.

## Conduct at meetings

9. You must respect the chair, your colleagues and employees of Audit Scotland in meetings. You must comply with rulings from the chair in the conduct of the business of these meetings.

## Relationships with Board Members, employees of Audit Scotland and others

10. You will treat your fellow board members and any staff employed by Audit Scotland with courtesy and respect. It is expected that fellow board members and employees will show you the same consideration in return. It is good practice for employers to provide examples of what is unacceptable behaviour in their organisation. Public bodies should promote a safe, healthy and fair working environment for all. As a board member you should be familiar with the policies of Audit Scotland in relation to bullying and harassment in the workplace and also lead by exemplar behaviour.
11. Relationships may be developed with you by others to influence our work or to acquire confidential or sensitive information for personal gain. Those seeking to develop a relationship with you may also offer a financial or other benefit to supply them with information. These relationships are inappropriate and bring risks to your personal reputation and that of Audit Scotland (see Section on Bribery and Corruption). You must inform the Chair of the Board and Chief Operating Officer of any such approaches, relationships or offers of financial or other benefits, and you should discuss any concerns about any such issues as soon as possible so that Audit Scotland can support and advise you.

## Remuneration, allowances and expenses

12. You must comply with any rules of Audit Scotland regarding remuneration, allowances and expenses.

## Bribery and corruption

13. Bribery is the offering, giving, receiving, or soliciting of any item of value or advantage to influence the actions of an official or any other person in charge of a public or legal duty.
14. It is important that you are aware that it is a serious criminal offence for you to:
  - give, receive or solicit a bribe (i.e. to corruptly receive or give any gift, loans, fee, reward or advantage) in return for doing or not doing anything
  - show favour or disfavour to any person in the course of your work with Audit Scotland.

15. It is also important to be aware that an act of bribery by an individual may render Audit Scotland liable of committing an offence.
16. Audit Scotland has a zero tolerance to bribery and corruption therefore corrupt actions, including bribery, can lead to dismissal and prosecution.

## Gifts and hospitality

17. You must never ask for gifts or hospitality.
18. You must not accept any offer by way of a gift or hospitality which could give rise to a real or substantive personal gain or reasonable suspicion of influence on your part to show favour, or disadvantage, to any individual or organisation. You should also consider whether there may be any reasonable perception that any gift received by your spouse or cohabitee or by any company in which you have a controlling interest, or by a partnership of which you are a partner, can or would influence your judgement. The term 'gift' includes benefits such as relief from indebtedness, loan concessions, or provision of services at a cost below that generally charged to members of the public.
19. You are personally responsible for all decisions connected with the offer or acceptance of gifts or hospitality offered to you and for avoiding the risk of damage to public confidence in Audit Scotland. As a general guide, it is usually appropriate to refuse offers except:
  - isolated gifts of a trivial character, the value of which must not exceed £50;
  - normal hospitality associated with your duties and which would reasonably be regarded as appropriate; or
  - gifts received on behalf of Audit Scotland.
20. You must not accept any offer of a gift or hospitality from any individual or organisation which stands to gain or benefit from a decision Audit Scotland may be involved in determining, or who is seeking to do business with us, and which a person might reasonably consider could have a bearing on your judgement. If you are making a visit in your capacity as a member of Audit Scotland then, as a general rule, you should ensure that Audit Scotland pays for the cost of the visit.
21. You must not accept repeated hospitality from the same source.
22. Members of Audit Scotland should familiarise themselves with the terms of the Bribery Act 2010 which provides for offences of bribing another person and offences relating to being bribed.
23. You must declare the giving and acceptance of any gifts or hospitality received by you or gifts and hospitality declined in your capacity as a member of Audit Scotland to the Chief Operating Officer who will record the declaration in a register kept for that purpose.

Audit Scotland only recognises and approves the giving of gifts or hospitality if recorded in the register and the expenditure is detailed in our financial accounting system. All reimbursement



claims for gifts or hospitality given through expenses must be in accordance with the remuneration, allowances and expenses policy.

To assist Members the following guidance indicates items that do not require recording or disclosure:

- Working lunches at audited bodies, partner firms, working groups/committees/boards, professional institutes and other public bodies.
- Meals and accommodation incidental to the attendance at conferences, seminars and workshops.
- Giving or receiving gifts of modest value such as a pen or book.

Items that do require disclosure would therefore include:

- Isolated gifts in excess of £50.
- Meals in external restaurants whether working or not.
- Attendance at functions organised/hosted by professional bodies eg Institute Annual Dinners.
- Receptions held by public bodies, partner firms or other parties where there is a widespread range of attendees eg gallery viewings.
- Functions where the focus of the event is an awards ceremony which involves a public sector element.
- Meals paid for by visiting delegations from other audit offices, organisations and Parliaments/Governments.
- Provision of accommodation, travel or corporate hospitality to others.

24. Details of any gift or hospitality will be made available for public inspection through publication of the register on Audit Scotland's website.

## Confidentiality requirements

25. Audit Scotland carries out its work in the public interest and is committed to the principle of openness. However, there may be times when you will be required to treat discussions, documents or other information relating to the work of Audit Scotland in a confidential manner. You will often receive information of a private nature which is not yet public, or which perhaps would not be intended to be public. There are provisions in other legislation, such as the Data Protection Act 2018 and the Freedom of Information (Scotland) Act 2002, on the categories of confidential and exempt information and you must always respect and comply with the requirement to keep such information private.
26. It is unacceptable to disclose any information to which you have privileged access, for example derived from a confidential document, either orally or in writing. In the case of other documents and information, you are requested to exercise your judgement as to what should or should not be made available to outside bodies or individuals. In any event, such

information should never be used for the purpose of personal or financial gain, or used in such a way as to bring Audit Scotland into disrepute.

27. Breaches of confidentiality or information security will be treated with utmost seriousness and could prompt an investigation. Any wilful breach such as, unauthorised access or supply of information to others could lead to termination of your position with Audit Scotland and could lead to a criminal prosecution under Data Protection legislation. If you are in any doubt about a matter of confidentiality or information security, please check with the Chief Operating Officer.
28. If you are involved in an act that could cause Audit Scotland reputational risk or bring the organisation into disrepute e.g. you are arrested for or charged with a criminal offence, you must inform Audit Scotland at the earliest available opportunity.

## Use of Audit Scotland's facilities

29. Members of Audit Scotland must not misuse facilities, equipment, stationery, telephony, computer, information technology equipment and services, or use them for party political or campaigning activities. Use of such equipment and services, etc must be in accordance with Audit Scotland's policy and rules on their usage. Care must also be exercised when using social media networks not to compromise your position as a member of Audit Scotland.

## Other Appointments

30. Non-Executive Members must seek the approval of the SCPA prior to accepting any additional office, employment or appointment or engaging in any other occupation.

## Conflicts of Interest

31. You may not hold any other office, employment or appointment or engage in any other occupation which would conflict with your responsibilities and duties as a member of Audit Scotland. This is taken into account during the recruitment process for members by the SCPA. It is for the SCPA to determine any transitional arrangements where an existing appointment may give rise to a conflict of interest. While in office members must have regard to paragraph 30 above.

# Registration of Interests

## Introduction

32. The following paragraphs set out the kinds of interests, financial and otherwise which you have to register. These are called 'Registerable Interests'. You must at all times ensure that these interests are registered, when you are appointed and whenever your circumstances change in such a way as to require change or an addition to your entry in the Register. It is your duty to ensure any changes in circumstances are reported within one month of them changing. It is a breach of this Code not to comply with these requirements.
33. You should review regularly and at least once a year your personal circumstances. The interests which require to be registered are those set out in the following paragraphs and relate to you. It is not necessary to register the interests of your spouse or cohabitee.

## Remuneration

34. You have a registrable interest where you receive remuneration by virtue of being:
  - employed;
  - self-employed;
  - the holder of an office;
  - a director of an undertaking;
  - a partner in a firm; or
  - undertaking a trade, profession or vocation or any other work.
35. In relation to 34 above, the amount of remuneration does not require to be registered and remuneration received as a member does not have to be registered.
36. If a position is not remunerated it does not need to be registered under this category. However, you must note that unremunerated directorships may need to be registered under the category of 'Related undertakings'.
37. If you receive any allowances in relation to membership of any organisation, the fact that you receive such an allowance must be registered.
38. When registering employment, you must give the name of the employer, the nature of its business, and the nature of the post held in the organisation.
39. When registering self-employment, you must provide the name and give details of the nature of the business. When registering an interest in a partnership, you must give the name of the partnership and the nature of its business.
40. When registering a directorship, it is necessary to provide the registered name of the undertaking in which the directorship is held and give a broad indication of its business.

41. Where you undertake a trade, profession or vocation, or any other work, the detail to be given is the nature of the work and its regularity. For example, if you write for a newspaper, you must give the name of the publication and the frequency of articles for which you are paid.
42. Registration of a pension is not required as this falls outside the scope of the category.

### Related undertakings

43. You must register any directorships held which are themselves not remunerated but where the company (or other undertaking) in question is a subsidiary of, or a parent of, a company (or other undertaking) in which you hold a remunerated directorship.
44. You must register the name of the subsidiary or parent company or other undertaking and the nature of its business, and its relationship to the company or other undertaking in which you are a director and from which you receive remuneration.
45. The situations to which the above paragraphs apply are as follows:
  - You are a director of a board of an undertaking and receive remuneration declared under remuneration - and
  - You are a director of a parent or subsidiary undertaking but do not receive remuneration in that capacity.

### Contracts

46. You have a registrable interest where you (or a firm in which you are a partner, or an undertaking in which you are a director or in which you have shares of a value as described in 50 below) have made a contract with the public body of which you are a member:
  - under which goods or services are to be provided, or works are to be executed; and
  - which has not been fully discharged.
47. You must register a description of the contract, including its duration, but excluding the consideration.

### Houses, land and buildings

48. You have a registrable interest where you own or have any other right or interest in houses, land and buildings, which may be significant to, of relevance to, or bear upon, the work and operation of Audit Scotland to which you are appointed.
49. The test to be applied when considering appropriateness of registration is to ask whether a member of the public acting reasonably might consider any interests in houses, land and buildings could potentially affect your responsibilities to the organisation to which you are appointed and to the public, or could influence your actions, speeches or decision making.

## Interest in shares and securities

50. You have a registerable interest where you have an interest in shares comprised in the share capital of a company or other body which may be significant to, of relevance to, or bear upon, the work and operation of (a) the body to which you are appointed and (b) the nominal value of the shares is:
- (i) greater than 1% of the issued share capital of the company or other body; or
  - (ii) greater than £25,000.
51. Where you are required to register the interest, you should provide the registered name of the company in which you hold shares; the amount or value of the shares does not have to be registered.

## Non-financial interests

52. You may also have a registerable interest if you have non-financial interests which may be significant to, of relevance to, or bear upon, the work and operation of Audit Scotland to which you are appointed. It is important that relevant interests such as membership or holding office in other public bodies, clubs, societies and organisations such as trades unions and voluntary organisations, are registered and described.
53. In the context of non-financial interests, the test to be applied when considering appropriateness of registration is to ask whether a member of the public might reasonably think that any non-financial interest could potentially affect your responsibilities to the organisation to which you are appointed and to the public, or could influence your actions, speeches or decision-making.

## Related party disclosure

54. Related Party Disclosures is a requirement of International Accounting Standard 24. It is a requirement of the Code of Conduct that Board Members and Directors sign an annual declaration at the financial year end stating that you were not aware of any related party transactions in the year.
55. A related party is a person or entity that is related to the entity that is preparing its financial statements.
- (a) A person or a close member of that person's family is related to a reporting entity if that person:
    - (i) has control or joint control over the reporting entity;
    - (ii) has significant influence over the reporting entity; or
    - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
  - (b) An entity is related to a reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

# Declaration of interests

## Introduction

56. The key principles of the Code, especially those in relation to integrity, honesty and openness, are given further practical effect by the requirement for you to declare certain interests in proceedings of Audit Scotland. Together with the rules on registration of interests, this ensures transparency of your interests which might influence, or be thought to influence, your actions.
57. Public bodies inevitably have dealings with a wide variety of organisations and individuals and this Code indicates the circumstances in which a business or personal interest must be declared. Public confidence in Audit Scotland and its members depends on it being clearly understood that decisions are taken in the public interest and not for any other reason.
58. In considering whether to make a declaration in any proceedings, you must consider not only whether you will be influenced but whether anybody else would think that you might be influenced by the interest. You must, however, always comply with the objective test ('the objective test') which is whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that it is likely to prejudice your discussion or decision making in your role as a member of Audit Scotland.
59. If you feel that, in the context of the matter being considered, your involvement is neither capable of being viewed as more significant than that of an ordinary member of the public, nor likely to be perceived by the public as wrong, you may continue to attend the meeting and participate in both discussion and voting. The relevant interest must however be declared. It is your responsibility to judge whether an interest is sufficiently relevant to particular proceedings to require a declaration and you are advised to err on the side of declaration. If a board member is unsure as to whether a conflict of interest exists, they should seek advice before or during the meeting from the board chair.
60. As a member of Audit Scotland you might serve on other bodies, subject to the conditions set out in paragraphs 30 and 31. In relation to service on the boards and management committees of limited liability companies, public bodies, societies and other organisations, you must decide, in the particular circumstances surrounding any matter, whether to declare an interest. Only if you believe that, in the particular circumstances, the nature of the interest is so remote or without significance, should it not be declared. You must always remember the public interest points towards transparency and, in particular, a possible divergence of interest between Audit Scotland and another body.

## Interests which require declaration

61. Interests which require to be declared, if known to you may be financial or non-financial. They may or may not cover interests which are registerable under the terms of this Code. Most of the interests to be declared will be your personal interests but, on occasion, you will have to consider whether the interests of other persons require you to make a declaration. The

paragraphs which follow deal with (a) your financial interests (b) your nonfinancial interests and (c) the interests, financial and non-financial, of other persons.

62. You will also have other private and personal interests and may serve, or be associated with, bodies, societies and organisations as a result of your private and personal interests and not because of your role as a member of Audit Scotland. In the context of any particular matter you will need to decide whether to declare an interest. You should declare an interest unless you believe that, in the particular circumstances, the interest is too remote or without significance. In reaching a view on whether the objective test applies to the interest, you should consider whether your interest (whether taking the form of association or the holding of office) would be seen by a member of the public acting reasonably in a different light because it is the interest of a person who is a member of Audit Scotland as opposed to the interest of an ordinary member of the public.

### Your financial interests

63. You must declare, if it is known to you, any financial interest (including any financial interest which is registerable under any of the categories prescribed in the remuneration section of this Code).
64. There is no need to declare an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.
65. You must withdraw from the meeting room until discussion of the relevant item where you have a declarable interest is concluded. There is no need to withdraw in the case of an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

### Your non-financial interests

66. You must declare, if it is known to you, any non-financial interest if:
- (i) that interest has been registered under Non Financial Interests (paragraphs 52 and 53) of the Code; or
  - (ii) that interest would fall within the terms of the objective test.
67. There is no need to declare an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.
68. You must withdraw from the meeting room until discussion of the relevant item where you have a declarable interest is concluded. There is no need to withdraw in the case of an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.



## The financial interests of other persons

69. The Code requires only your financial interests to be registered. You also, however, have to consider whether you should declare any financial interest of certain other persons.
70. You must declare if it is known to you any financial interest of:-
- (i) a spouse, a civil partner or a co-habitee;
  - (ii) a close relative, close friend or close associate;
  - (iii) an employer or a partner in a firm;
  - (iv) a body (or subsidiary or parent of a body) of which you are a remunerated member or director;
  - (v) a person from whom you have received a registerable gift or registerable hospitality;
  - (vi) a person from whom you have received registerable expenses.
71. There is no need to declare an interest if it is so remote or insignificant that it could not reasonably be taken to fall within the objective test.
72. You must withdraw from the meeting room until discussion of and voting on the relevant item where you have a declarable interest is concluded. There is no need to withdraw in the case of an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.
73. This Code does not attempt the task of defining “relative” or “friend” or “associate”. Not only is such a task fraught with difficulty but is also unlikely that such definitions would reflect the intention of this part of the Code. The key principle is the need for transparency in regard to any interest which might (regardless of the precise description of relationship) be objectively regarded by a member of the public, acting reasonably, as potentially affecting your responsibilities as a member of Audit Scotland and, as such, would be covered by the objective test.

## The non-financial interests of other persons

74. You must declare if it is known to you any non-financial interest of:-
- (i) a spouse, a civil partner or a co-habitee;
  - (ii) a close relative, close friend or close associate;
  - (iii) an employer or a partner in a firm;
  - (iv) a body (or subsidiary or parent of a body) of which you are a remunerated member or director;
  - (v) a person from whom you have received a registerable gift or registerable hospitality;
  - (vi) a person from whom you have received registerable expenses.

- 75. There is no need to declare an interest if it is so remote or insignificant that it could not reasonably be taken to fall within the objective test.
- 76. There is only a need to withdraw from the meeting if the interest is clear and substantial.

### **Making a declaration**

- 77. You must consider at the earliest stage possible whether you have an interest to declare in relation to any matter which is to be considered. You should consider whether agendas for meetings raise any issue of declaration of interest. Your declaration of interest must be made as soon as practicable at a meeting where that interest arises. If you do identify the need for a declaration of interest only when a particular matter is being discussed you must declare the interest as soon as you realise it is necessary.
- 78. The oral statement of declaration of interest should identify the item or items of business to which it relates. The statement should begin with the words “I declare an interest”. The statement must be sufficiently informative to enable those at the meeting to understand the nature of your interest but need not give a detailed description of the interest.

### **Frequent declarations of interest**

- 79. Public confidence in Audit Scotland is damaged by perception that decisions taken by us are substantially influenced by factors other than the public interest. If you would have to declare interests frequently at meetings in respect of your role as a board member you should not accept a role or appointment with that attendant consequence. If members are frequently declaring interests at meetings then they should consider whether they can carry out their role effectively and discuss with their chair. Similarly, if any appointment or nomination to another body would give rise to objective concern because of your existing personal involvement or affiliations, you should not accept the appointment or nomination.

# Lobbying and access to members of public bodies

## Introduction

81. In order for Audit Scotland to fulfil its commitment to being open and accessible, it needs to encourage participation by organisations and individuals in the decision-making process. Clearly however, the desire to involve the public and other interest groups in the decision-making process must take account of the need to ensure transparency and probity in the way in which Audit Scotland conducts its business.
82. You will need to be able to consider evidence and arguments advanced by a wide range of organisations and individuals in order to perform your duties effectively. Some of these organisations and individuals will make their views known directly to individual members. The rules in this Code set out how you should conduct yourself in your contacts with those who would seek to influence you. They are designed to encourage proper interaction between members of public bodies, those they represent and interest groups.
83. The Lobbying (Scotland) Act 2016 (the Act) makes provisions about lobbying a member of the Scottish Parliament, a member of the Scottish Government, a junior Scottish Minister, a special adviser or the permanent secretary. Communications with the Scottish Government and Parliament by Audit Scotland are not classed as regulated lobbying by the provisions in section 22 (d) of the Schedule to the Act. This exemption only applies to engagement by members on Audit Scotland business and members should be mindful of the legislation if engaging with any of the above in any other capacity.

## Rules and guidance

84. You must not, in relation to contact with any person or organisation who lobbies, do anything which contravenes this Code of Conduct or any other relevant rule of Audit Scotland or any statutory provision.
85. You must not, in relation to contact with any person or organisation who lobbies, act in any way which could bring discredit upon Audit Scotland.
86. The public must be assured that no person or organisation will gain better access to, or treatment by, you as a result of employing a company or individual to lobby on a fee basis on their behalf. You must not, therefore, offer or accord any preferential access or treatment to those lobbying on a fee basis on behalf of clients compared with that which you accord any other person or organisation who lobbies or approaches you. Nor should those lobbying on a fee basis on behalf of clients be given to understand that preferential access or treatment, compared to that accorded to any other person or organisation, might be forthcoming from another member of Audit Scotland.

87. Before taking any action as a result of being lobbied, you should seek to satisfy yourself about the identity of the person or organisation who is lobbying and the motive for lobbying. You may choose to act in response to a person or organisation lobbying on a fee basis on behalf of clients but it is important that you know the basis on which you are being lobbied in order to ensure that any action taken in connection with the lobbyist complies with the standards set out in this Code.
88. You should not accept any paid work:
- which would involve you lobbying on behalf of any person or organisation or any clients of a person or organisation
  - to provide services as a strategist, adviser or consultant, for example, advising on how to influence Audit Scotland and its members. This does not prohibit you from being remunerated for activity which may arise because of, or relate to, membership of Audit Scotland, such as journalism or broadcasting, or involvement in representative or presentational work, such as participation in delegations, conferences or other events.
89. If you have concerns about the approach or methods used by any person or organisation in their contacts with you, you must seek the guidance of Audit Scotland.

# Appendix 1: Definitions

1. “Remuneration” includes any salary, wage, share of profits, fee, expenses, other monetary benefit or benefit in kind. This would include, for example, the provision of a company car or travelling expenses by an employer.
2. “Undertaking” means:
  - (a) a body corporate or partnership; or
  - (b) an unincorporated association carrying on a trade or business, with or without a view to profit.
3. “Related undertaking” is a parent or subsidiary company of a principal undertaking of which you are also a director. You will receive remuneration for the principal undertaking though you will not receive remuneration as director of the related undertaking.
4. “Parent undertaking” is an undertaking in relation to another undertaking, a subsidiary undertaking, if a) it holds a majority of voting rights in the undertaking; or b) it is a member of the undertaking and has the right to appoint or remove a majority of its board of directors; or c) it has the right to exercise a dominant influence over the undertaking (i) by virtue of provisions contained in the undertaking’s memorandum or articles or (ii) by virtue of a control contract; or d) it is a councillor of the undertaking and controls alone, pursuant to an agreement with other shareholders or councillors, a majority of voting rights in the undertaking.
5. “Group of companies” has the same meaning as “group” in section 474(1) of the Companies Act 2006. A “group”, within s 474(1) of the Companies Act 2006, means a parent undertaking and its subsidiary undertakings.
6. “A person” means a single individual or legal person and includes a group of companies.
7. “Any person” includes individuals, incorporated and unincorporated bodies, trade unions, charities and voluntary organisations.
8. “Spouse” does not include a former spouse or a spouse who is living separately and apart from you.
9. “Cohabitee” includes a person, whether of the opposite sex or not, who is living with you in a relationship similar to that of husband and wife.
10. “Code” code of conduct for members of public bodies.