

AS 8002–2003

(Incorporating Amendment No. 1)

Australian Standard™

Organizational Codes of Conduct



Standards Australia

This Australian Standard was prepared by Committee MB-004, Business Governance. It was approved on behalf of the Council of Standards Australia on 23 May 2003.
This Standard was published on 23 June 2003.

The following are represented on Committee MB-004:

A1 | ARIMA
Audit Office of New South Wales
Australian Compliance Institute
Australian Chamber of Commerce and Industry
Australian Council of Superannuation Investors
Australian Federal Police
Australian Institute of Risk Management
Australian National Audit Office
Australian Prudential Regulation Authority
Centre for International Corporate Governance Research, Victoria University
Consumers Federation of Australia
Corporate Crime Liaison Group
CPA Australia
Institute of Chartered Accountants in Australia
Institute of Internal Auditors – Australia
National Institute for Governance – University of Canberra
Queensland University of Technology
Royal Institute of Deaf & Blind Children
Society of Consumer Affairs Professionals

Keeping Standards up-to-date

Standards are living documents which reflect progress in science, technology and systems. To maintain their currency, all Standards are periodically reviewed, and new editions are published. Between editions, amendments may be issued. Standards may also be withdrawn. It is important that readers assure themselves they are using a current Standard, which should include any amendments which may have been published since the Standard was purchased.

Detailed information about Standards can be found by visiting the Standards Web Shop at www.standards.com.au and looking up the relevant Standard in the on-line catalogue.

Alternatively, the printed Catalogue provides information current at 1 January each year, and the monthly magazine, *The Global Standard*, has a full listing of revisions and amendments published each month.

Australian Standards™ and other products and services developed by Standards Australia are published and distributed under contract by SAI Global, which operates the Standards Web Shop.

We also welcome suggestions for improvement in our Standards, and especially encourage readers to notify us immediately of any apparent inaccuracies or ambiguities. Contact us via email at mail@standards.org.au, or write to the Chief Executive, Standards Australia International Ltd, GPO Box 5420, Sydney, NSW 2001.

Australian Standard™

Organizational codes of conduct

First published as AS 8002—2003.
Reissued incorporating Amendment No. 1 (November 2004)

COPYRIGHT

© Standards Australia International

All rights are reserved. No part of this work may be reproduced or copied in any form or by any means, electronic or mechanical, including photocopying, without the written permission of the publisher.

Published by Standards Australia International Ltd GPO Box 5420, Sydney, NSW 2001, Australia

ISBN 0 7337 5305 1

PREFACE

This Standard was prepared by the Standards Australia Committee MB-004, Business Governance.

This Standard incorporates Amendment No. 1 (November 2004). The change arising from this Amendment applies to the Committee representatives list on the inside front cover of this Standard.

The objective of this Standard is to provide essential elements for establishing, implementing and managing an effective organizational Code of Conduct.

This Standard is part of the Governance series which comprises:

- AS 8000 Good governance principles
- AS 8001 Fraud and corruption control
- AS 8002 Organizational codes of conduct (this Standard)
- AS 8003 Corporate social responsibility
- AS 8004 Whistleblower protection programs for entities

This Standard recognises that there are general laws in place regulating how to comply with organizational codes of conduct. The intention is not to cut across the law, but enhance the legislation. If there is any doubt as to a potential conflict between the law and this Standard, seek professional advice.

This Standard complements existing guidelines produced by IFSA, ASX Corporate Governance Council and suggest the reader follows up these references for guidance as appropriate.

The term 'informative' has been used in this Standard to define the application of the appendix to which it applies. An 'informative' appendix is only for information and guidance.

CONTENTS

	<i>Page</i>
SECTION 1 SCOPE AND GENERAL	
1.1 SCOPE	4
1.2 OBJECTIVE.....	4
1.3 REFERENCED DOCUMENTS	4
1.4 DEFINITIONS	4
1.5 REGULATORY FRAMEWORK	4
SECTION 2 ESSENTIAL ELEMENTS OF AN EFFECTIVE CODE OF CONDUCT	
2.1 SCOPE OF SECTION	6
2.2 STRUCTURAL ELEMENTS.....	6
2.3 OPERATIONAL ELEMENTS	7
2.4 MAINTENANCE ELEMENTS.....	9
APPENDIX A SUGGESTED OUTLINE FOR ORGANIZATIONAL CODE OF CONDUCT	10

STANDARDS AUSTRALIA

Australian Standard
Organizational codes of conduct

SECTION 1 SCOPE AND GENERAL

1.1 SCOPE

This Standard sets out essential elements for establishing, implementing and managing an effective organizational Code of Conduct within an entity.

This Standard can be used as a practical management guide for corporations, government and non-government agencies alike, to develop, promote and implement standards of behaviour.

1.2 OBJECTIVE

The purpose of this Standard is to—

- (a) provide the mechanisms for an entity to establish and maintain an ethical culture through a committed, self regulatory approach; and
- (b) provide a framework for an effective Code of Conduct program, the performance of which can be monitored and assessed;

in order to act as a deterrent against misconduct.

1.3 REFERENCED DOCUMENTS

The following documents are referred to in this Standard:

AS	
3806	Compliance programs
8000	Good governance principles

1.4 DEFINITIONS

For the purpose of this Standard, the definitions in AS 8000 apply.

1.5 REGULATORY FRAMEWORK

A Code of Conduct is an important management tool which can positively shape the culture of an entity. A Code of Conduct sets out the standards of behaviour expected of staff in an entity and should help them to solve ethical dilemmas they face at work.

A Code of Conduct is an important element in setting standards aimed at preventing corrupt and illegal practices within an entity and, as such, is a necessary ingredient in the corporate governance of an entity.

An effective Code of Conduct can result in—

- (a) more effective compliance with relevant laws;
- (b) more effective management; and
- (c) maintenance of the integrity and reputation of the entity.