



INTOSAI CODE OF ETHICS

The revised ISSAI 30

- An assessment was conducted in 2014 to determine whether ISSAI 30 needed to be reviewed: YES
- The review was conducted by a team chaired by the SAI of Poland
- A revised version of ISSAI 30 was approved in the INCOSAI 2016



Revised ISSAI 30

Paragraphs	STRUCTURE	
1 - 7	Preamble	
8 - 10	Overall approach to Ethical behaviour	Fundamental values
		Risks and Controls
11 - 22	Overall responsibilities of SAIs	Requirements
		Explanation
		Application guidance
23 - 76	Ethical values	Requirements at the level of SAI
		Requirements at the level of SAI Staff
		Explanation
		Application guidance at the level of SAI
		Application guidance at the level of SAI staff

**ISSAI 30 adopts now an institutional perspective:
it is no longer solely about behaviour of auditors**

- The 3 dimensions: institution, stakeholders, individuals
- It is a level 2 ISSAI: a pre-requisite of SAIs
- It is an instrument for SAIs to meet the high expectations and trust of stakeholders
- SAIs need to act as model organisations to inspire confidence and credibility
- Ethics in SAIs concerns everybody
- The SAI has a specific responsibility to guide, to manage and to control ethical behaviour

ISSAI 30 includes requirements and application guidance both for SAIs and for staff

- The 'shall' clause
- Chapter on overall responsibilities of SAIs
- Requirements at the levels of SAIs and staff for each ethical value
- Application guidance gives explanations and suggestions on how to implement requirements
- Basis for assessments

There are overall responsibilities for SAIs in promoting and safeguarding ethical values

- To adopt, implement and publish a code of ethics
- To emphasise the importance of ethics
- To promote an ethical culture
- To set the tone at the top by actions and example
- To require the engagement of staff and external providers to ethical conduct
- To provide guidance and support to facilitate their understanding
- To implement an ethics control system
- To solve conflicts between ethical requirements

The ethics control system in SAIs

- A set of strategies, policies and procedures to promote and safeguard ethics in every aspect of the SAI and its activities: an organisational policy on integrity
- It must include measures to guide, manage and monitor ethical behaviour
- It can be designed as a separate set of controls or integrated within the SAI's overall internal control system
- The main components of the ethics control system are:
 - Code of ethics
 - Leadership
 - Ethics guidance
 - Ethics management
 - Ethics monitoring

Ethics Control System

GUIDANCE	MANAGEMENT	MONITORING
Codes of ethics	Leadership (tone at the top and tone at the middle)	Identification and mitigation of integrity risks
Leadership (strategic direction and priority of ethics)	Ethical assessment in recruitment	Independence and objectivity-related controls
Raising awareness	Ethical criteria in performance appraisal	Addressing conflicts of interests (identify, declare, monitor)
Training	Reward and recognition policies and practices towards ethical behaviour	Political neutrality, use of social media and gifts and hospitality policies
Benchmarking	Balance confidentiality and transparency	Whistleblowing policies
Intranet	Rotation policies	Effective enforcement in case of violations
Counselling	Open culture	Self assessments and internal evaluations
Ethics Committees		External evaluations
Addressing ethical dilemmas		Assessment by stakeholders
		Published assessments

The ethics control system in SAIs (EUROSAI guidance)

- Put ethics in context: set a common understanding, identify specific risks
- Proceed in an inclusive manner: participative approach, good communication, open spirit
- Act transparently: publish relevant information on ethical behaviour
- Design the ethics control system on the basis of a well prepared organisational ethics assessment and strategy: assess and address specific vulnerabilities and risks
- Alternatives and good practices

Other SAI's requirements

- **Integrity:** demonstrate integrity, respond to breaches in a timely and adequate manner
- **Independence and objectivity:** independence of the SAI, identification of threats and application of controls, policies to ensure independent conduct of audit staff
- **Competence:** HR policies, building teams, training, support and supervision, knowledge management
- **Professional behaviour:** defining and demanding the standard of behaviour expected by stakeholders
- **Confidentiality and transparency:** balance these two values, guide and promote confidentiality when needed, confidentiality agreements with external providers

**Having a code od ethics (rules) is not enough:
*the implementation challenge***

- There is no ethics control system without a code
- There is no ethics control system at all if there are no other policies to make sure the code is implemented
- Committing, reminding and monitoring
- Recruiting and rewarding

Building an ethical culture

- OECD 2017 recommendation on public integrity: system, culture and accountability
- Culture of integrity: awareness on the benefits of integrity, reducing tolerance of violations, invest in integrity leadership, promote and reward merit, training and advice, open culture, reporting suspected violations
- ISSAI 30: Building an ethical culture starts with the leadership of the organisation
- Ethics and lack of ethics are both contagious

OECD RECOMMENDATION ON PUBLIC SECTOR INTEGRITY

1. Coherent and comprehensive public integrity system

Commitment

Responsibilities

Strategy

Standards

2. Culture of integrity

Whole-of-society

Leadership

Merit-based

Capacity building

Openness

3. Accountability

Risk management

Enforcement

Oversight

Participation