



EUROSAI

Task Force
on Audit & Ethics



Report on the
AUDITÐICS 2020 SURVEY

March 2021

Quality and Transparency Statement

This is to certify that the Report on the TFA&E «AUDIT & ETHICS» 2020 SURVEY has been developed by following the *Quality and Transparency* process stated in the “**QUALITY AND TRANSPARENCY PROTOCOL FOR EUROSAI PRODUCTS AND DOCUMENTS**”, as detailed below:

- i. **Representation of the membership of the TFA&E elaborating and approving the survey and the report:**

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United Kingdom	Jamie Patterson

The survey and the report were prepared by the task group and approved by mutual agreement of all the TFA&E members. The membership of the TFA&E is open to all EUROSAI members. All EUROSAI members were requested to reply to the survey and the deadlines were postponed and made flexible during the Covid-19 crisis.

ii. External stakeholders' contribution

There were no external stakeholders involved in this task.

iii. Working Plan

The TFA&E «*Audit&Ethics*» 2020 survey was included in the TFA&E Working Plan for the period 2017-2020, as approved by the EUROSAI Congress, and agglutinated several objectives envisaged in that plan.

iv. Openness and transparency

The TFA&E «*Audit&Ethics*» 2020 survey draft was submitted for approval to all TFA&E members and was sent to all EUROSAI members; all members of the TFA&E may access the replies; the report on the results was submitted for approval to all TFA&E members and is sent to all EUROSAI SAIs, under the Congress procedures. It will then be made available to the SAIs' community and external stakeholders on the EUROSAI website (database of products) and on the TFA&E website.

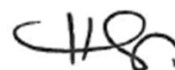
v. Work method and exposure to comments

The TFA&E «*Audit&Ethics*» 2020 survey was drafted by a task group, comprising all TFA&E members who volunteered for the task. The draft was submitted for discussion in the X meeting of the TFA&E (in plenary and in a group session open to all members that wished to contribute). It was redrafted by the task group following the comments received and was subsequently reviewed by the chair and sent to all TFA&E members before application.

The draft report on the results of the survey was prepared by the task group, following the analysis of the replies, was reviewed by the chair and sent to all TFA&E members in advance to the XI meeting, asking for comments and suggestions. The draft was discussed and approved in the XI meeting of the TF, incorporating all suggestions received.

19 March 2021,

The Chair of the EUROSAI TFA&E,



Helena Abreu Lopes
Member of Tribunal de Contas, Portugal

SUMMARY

In February 2020, the EUROSAI Task Force on Audit&Ethics (TFA&E) launched a survey, which was circulated among all 50 Supreme Audit Institutions (SAIs) within EUROSAI.

The survey intended to:

- Obtain up-to-date information regarding SAIs' ethical frameworks and practices;
- Understand where EUROSAI members stand in implementing ISSAI 130 and identify difficulties that they may face in that process;
- Obtain up-to-date information regarding SAIs' uptake of integrity-related audit activities;
- Assess the usefulness of TFA&E products; and
- Identify whether EUROSAI members want further ethics related initiatives to be undertaken.

Out of the 50 members of EUROSAI, 30 SAIs replied to the survey (60% response rate).

The results of the survey, when compared to those of the survey conducted in 2012, indicate some progress in several aspects. Percentages have increased of SAIs:

- Having a code of ethics that is specific to the SAI
- Designating officials responsible for monitoring adherence to ethical values and principles
- Undertaking internal or external evaluations of the SAI's ethics-related performance to identify required areas of improvement
- Having organised or participated in training on or related to ethics
- Adopting job rotation policies and schemes
- Using tools for staff self-assessment
- Carrying out audits focused on assessing ethics and integrity in the public sector

93% of European SAIs have a code of ethics in place, which, in the vast majority, is based on the provisions of ISSAI 130 and is publicly available. All but four of the codes of ethics in place were either introduced or reviewed in the last 10 years. Thus, the code of ethics remains a very popular tool for reinforcing SAIs' values, principles and expected behaviours.

Even though, the majority of respondent SAIs are also strengthening the ethical climate and control environment within the SAI, by having senior management consistently promoting ethical conduct as well as integrating various features of a sound ethical framework (such as the ones mentioned above, which are mentioned in ISSAI 130).

Although a number of respondent SAIs (36,7%) mentioned encountering some difficulties in the implementation of ISSAI 130, no further implementation guidelines were deemed necessary by all but three respondent SAIs.

An area that seems to be lagging in terms of priority by SAIs relates to the audit of ethics and integrity. While the majority of respondent SAIs (56,7 %) incorporate assessments of ethics-related issues in the performance, financial and compliance audits, audits focused exclusively on ethics and integrity tend to be side-lined, in view of other priorities.

Responses indicate that the TFA&E has influenced ethics management and integrity audit in various ways. It was considered by SAIs as a learning opportunity and a source of information and encouragement for the implementation of best practices that:

- Raised awareness on and reinforced the importance of ethics within the SAI as an institution, within the wider public sector, and within the audit scope, resulting in a committed focus on ethics;
- Influenced SAIs to undertake specific actions related to the strengthening of the internal ethics management system, including e.g. the drafting or updating of an internal code of ethics, improvements in internal policy and practices and the provision of ethics-related training or the organisation of seminars for staff;
- Enhanced the consideration of ethical issues in audits, the development of ethics-related criteria for audit assessments, the choice of ethics-related topics and improved efforts by the SAI to raise awareness of ethics in the public sector.

Replies to the survey clearly indicate that ethics and integrity should be kept high in the agenda of EUROSAI and should even be more prominent. When asked about future activities they wished EUROSAI to conduct in the field of ethics, the most prominent suggestions coming from respondent SAIs were:

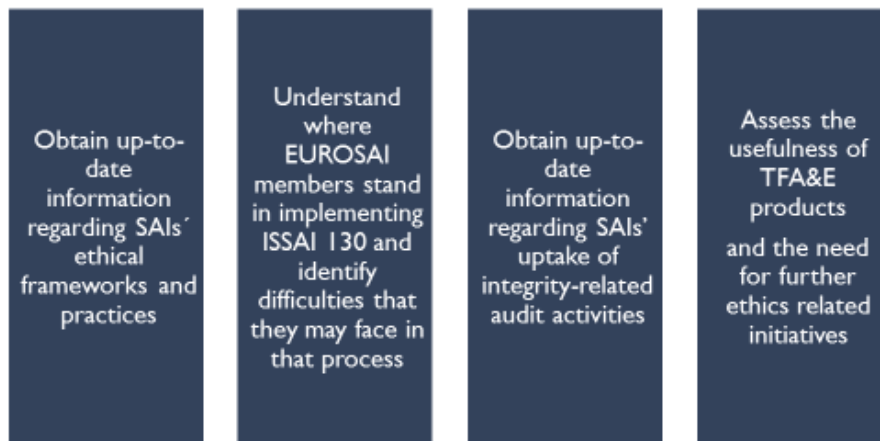
- Creating a platform for the exchange of information and documentation, and the sharing of experiences between SAIs, including examples of good practice, policies, procedures manuals and audit reports;
- Developing an online database or information bank in this respect;
- Organising seminars, conferences or festivals and providing ethics related training;
- Implementing and assisting individual SAIs to apply self-assessment tools, tailor-made training, peer reviews and other policies and practices intended to enhance ethics and integrity in SAIs' internal processes;
- Developing documentation and tools to further guide SAIs in auditing ethics (including methodological framework and audit indicators);
- Promoting and conducting cooperative audits focused on ethics;
- Providing an expert group to provide support, advice, manage knowledge and deliver training were proposed;

- **Liaising with international organisations, such as IDI, the IIA and the OECD in their endeavours to promote an ethical environment.**



Objectives and background of the survey

- 1 | This report presents the results of the survey launched by the EUROSAI Task Force on Audit & Ethics (TFA&E) in February 2020. The survey was circulated among all 50 Supreme Audit Institutions (SAIs) within EUROSAI.
- 2 | The survey was structured into four sections, covering SAIs' model and remit, the implementation of ISSAI 130, auditing ethics and EUROSAI activities. The survey was intended to allow the EUROSAI TFA&E to:



- 3 | For those purposes, the survey included 35 questions, as attached in the Annex.
- 4 | Out of the 50 members of EUROSAI, 30 SAIs replied to the survey, thereby providing a 60 per cent response rate.

SAIs model and remit

- 5 | SAIs were asked to indicate their SAI model. The most prominent model remains the Westminster/Parliamentarian model (n=16), followed by the Board/Collegiate model (n=10). Only three SAIs indicated having a Court/Judicial/Napoleonic model, while one SAI indicated having a hybrid of the Westminster/Parliamentarian model and the Board/Collegiate model.

Figure 1 | SAI model (n=30)

	n	%
Westminster/Parliamentarian	16	55.2
Board/Collegiate	10	34.5
Court/Judicial/Napoleonic	3	10.3
Westminster/Parliamentarian & Board/Collegiate	1	3.4

- 6 | SAIs were asked to describe the mandate of their SAI. Overall, entities acknowledged that the function of the national SAI is that of conducting audits of the management and use of state and public sector financial resources. The majority of SAIs noted that their entity is an independent body from Government and has a supervisory role on public monies. Some of the SAIs also mentioned that their mandate is enshrined in the national Constitution. Depending on the model of the SAI, some also have a jurisdictional function; therefore, their role extends to include legal action to be taken. In the case of the European Court of Auditors (ECA), it is the European Union’s (EU) independent external auditor and therefore its function is to act as the independent guardian of the financial interests of EU citizens.



Implementation of ISSAI 130

- 7 | SAIs were asked to state whether they have a code of ethics. The majority of the SAIs, 28 out of the 30 respondents (93.3 per cent), have a code of ethics. Of these 28 SAIs, 23 SAIs have one code for all staff and members while five SAIs have more than one code for different categories of staff, members, judges, etc. Of note is the fact that two of the 23 SAIs that indicated having one code of ethics for all staff and members, explained that they adhere to the code of ethics for all public sector employees. Two SAIs stated that they do not have a code, with one of these SAIs noting that it had an internal code of ethics up until 2018, which was then revoked since national law, internal policies and guidelines were considered sufficient to address the various

provisions of the ISSAI 130, and the retention of the code was considered to contribute to the peril of having a double layer of rules.

Figure 2 | SAI has a code of ethics (n=30)

	n	%
Yes, one code for all staff and members	23	76.7
Yes, more than one code, with separate codes for different categories of staff	5	16.7
No	2	6.7

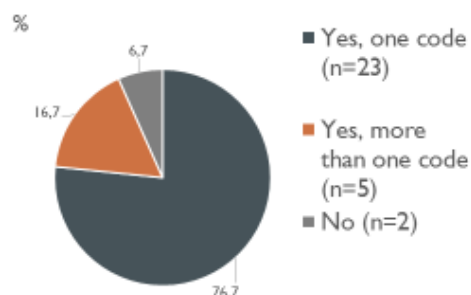
- 8 | The 28 SAIs that indicated having a code of ethics were asked to state how their code of ethics complies with ISSAI 130. The majority of the codes of ethics in place are based on ISSAI 130 (n=17), while in the case of two SAIs the ISSAI 130 has been explicitly adopted. Nine SAIs indicated that the code of ethics had not yet been adapted to the new requirements of ISSAI 130.

Figure 3 | SAI code of ethics compliance with ISSAI 130 (n=28)

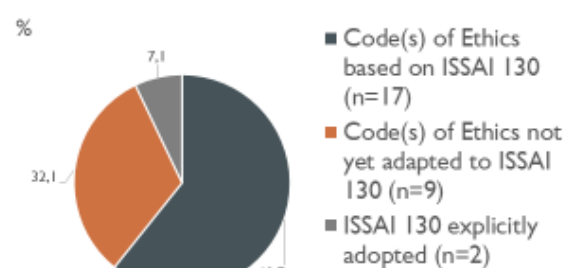
	n	%
The SAI has its own written Code(s) of Ethics based on ISSAI 130	17	60.7
The SAI has not yet adapted its code of ethics to the ISSAI 130 new requirements	9	32.1
The SAI has explicitly adopted ISSAI 130	2	7.1

CODE OF ETHICS

SAI HAS A CODE OF ETHICS (n=30)



CODE OF ETHICS COMPLIANCE WITH ISSAI 130 (n=28)



- 9 | The 28 SAIs that have a code of ethics were asked to state whether their code of ethics had been made publicly available. One SAI failed to provide a response for this question. Seven SAIs stated that their code of ethics was not publicly available, while the majority, 20 SAIs, stated that it was. Of these 20 SAIs, 18 had published the full version of the code of ethics, while two had made available an abridged version.

Figure 4 | SAI code of ethics made publicly available (N=28)

	n	%
Yes, full version	18	64.3
No	7	25.0
Yes, abridged version	2	7.1
Missing	1	3.6

10 | The 28 SAIs that indicated having a code of ethics were also asked to state when their code of ethics was first introduced and whether it was reviewed and, in the affirmative, to indicate the year of review. Two SAIs inputted one date in response to this question and did not indicate whether this was the year of introduction or the year of review. For the purpose of this analysis, this date was assumed to be the year of introduction. Two SAIs provided the year of review but did not indicate the year of introduction. One SAI failed to provide a response for either the date of introduction or the date of review of its code of ethics. Furthermore, three SAIs indicated that the code of ethics relating to auditors and the code of ethics relating to judges were introduced in different years. Another SAI provided the year of introduction for the code of ethics of the court and the code of ethics for support staff separately, however, the date was the same for both codes of ethics. For the purpose of presenting the year of introduction/review of the codes of ethics, separate entries were included for each code of ethics for these four SAIs which had multiple codes. Therefore, the statistics relating to the year of introduction/review, presented in Figure 5, relate to 32 codes of ethics pertaining to 28 SAIs.

Figure 5 | SAI code of ethics year of introduction (n=32)

	n	%
1990-1999	3	9.4
2000-2004	1	3.1
2005-2009	8	25.0
2010-2014	7	21.9
2015-2019	9	28.1
2020	1	3.1
No date indicated	3	9.4

11 | Regarding the review of the code of ethics, 17 SAIs (corresponding to 18 codes of ethics) provided details of the date of revision. Figure 6 presents the information submitted in this respect. With respect to the remaining 14 codes, no date of revision was provided, and it can be assumed that no revision in effect took place.

Figure 6 | SAI code of ethics year of review (n=32)

	N	%
2012	2	6.3
2014	2	6.3
2015	1	3.1
2017	3	9.4
2018	4	12.5

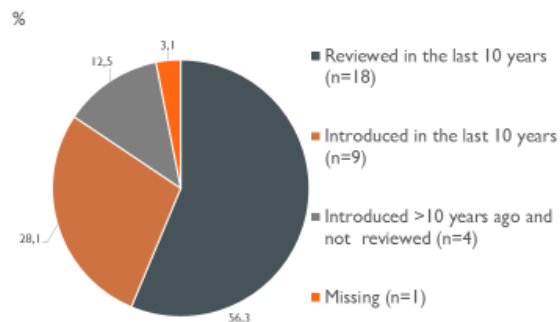
2019	4	12.5
2020	2	6.3
No information provided	14	43.8

- 12 | Another analysis of the year of introduction and year of review focused on the time lapse between the year of introduction and the year of review of these codes, with the prime intention that of identifying instances where codes of ethics have not been reviewed in the last ten years, despite being introduced before this period. Eighteen codes of ethics were reviewed in the last ten years, with some having been introduced in the last decade and others having been introduced prior to this period. Nine codes of ethics were introduced in the last ten years and were not reviewed, while there were four cases of codes of ethics introduced more than a decade ago, which at the time of this survey have not been reviewed.

Figure 7 | SAI code of ethics introduction and review (n=32)

	n	%
Reviewed in the last 10 years	18	56.3
Code of ethics introduced in the last 10 years	9	28.1
Code of ethics introduced more than 10 years ago and not been reviewed	4	12.5
Missing	1	3.1

CODE OF ETHICS INTRODUCTION AND REVIEW (n=32)



- 13 | SAIs were also asked to provide a list of other documents which outline the ethical values and principles that the SAI adheres to. Fifteen SAIs mentioned legislation, such as their national constitution, the legislation providing the SAI with its mandate and regulations, as well as the legislation regulating public administration, whistleblowing and officials of the judiciary, among others. The ECA made reference to EU legislation such as EU Staff Regulations, EU Financial Regulations and other treaties of the EU. Also mentioned were the code of ethics for the public sector (n=7), the code of ethics for various professional groups, including accountants, internal auditors and IT auditors (n=3), as well as the SAI's internal strategies and plans (n=4), integrity plans (n=2), mission statement (n=2), audit manuals (n=2) and policies and guidelines (n=6). Reference to international standards and guidelines, including ISSAIs and the OECD

recommendation on public integrity, were provided by three SAIs. Three SAIs did not provide a response to this question. One SAI mentioned SDG 16, which aims to substantially reduce corruption and bribery in all its forms. This SAI referred to two aspects in this regard, namely guidelines for the audit of corruption prevention systems and guiding principles for management.

OTHER DOCUMENTS GUIDING THE SAI'S ETHICAL VALUES AND PRINCIPLES



2020 AUDIT AND ETHICS SURVEY

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- 14 | For the next question, SAIs were required to indicate which of the five fundamental principles of ISSAI 130 were addressed in their code of ethics or the other documents mentioned in the preceding paragraph. ISSAI 130 is based on five fundamental principles – integrity, independence and objectivity, competence, professional behaviour and confidentiality and transparency. Two SAIs did not provide an answer to this question. The results for the remaining 28 SAIs are presented in Figure 8. The results indicate that, consistently, all the principles of ISSAI 130 are addressed within the regulations and guidelines governing the SAIs' ethical practices, with the exception being the competence principle and the integrity principle, which were each not addressed by one SAI.

Figure 8 | Fundamental principles of ISSAI 130 included in SAI code of ethics (n=28)

	n	%
Integrity	27	96.4
Independence and Objectivity	28	100.0
Competence	27	96.4
Professional behaviour	28	100.0
Confidentiality and transparency	28	100.0

- 15 | All participating SAIs were asked to indicate how employees of the organisation are informed about the ethical values and principles, as well as related policies and documents. Figure 9 shows that in the absolute majority of cases, 28 of the 30 participating SAIs, employees are informed through the dissemination of documentation. Eighteen SAIs also stated that specific training is held and 18 SAIs indicated that staff is informed by management or by their direct supervisors.

Seven SAIs, who selected the 'Other' option, indicated other methods of communication, citing participation in meetings and seminars, the use of questionnaires, surveys and suggestion boxes, having employees take an oath or sign a statement of compliance or sign a declaration of knowledge of the code of ethics, holding internal discussions, organising awareness raising activities, and having an internal working group dedicated to addressing integrity issues.

Figure 9 | Method of communication about ethical principles (n=30)

	N	%
Dissemination of documentation	28	93.3
Specific training is held	18	60.0
Managers or supervisors inform them	18	60.0
Others	7	23.3

- 16 | All participating SAIs were requested to indicate whether, within their institution, there was a designated official or group of officials responsible for monitoring adherence to ethical values and principles. Twenty SAIs replied in the affirmative. On the other hand, nine SAIs indicated that no such designation was present within their institution. One SAI failed to provide a response to this survey question.

Figure 10 | SAI has designated official or group of officials responsible for monitoring adherence to ethical values and principles (n=30)

	N	%
Yes	20	66.7
No	9	30.0
Missing	1	3.3

- 17 | All participating SAIs were also asked to indicate whether senior management actively promotes an ethical conduct. The majority of SAIs (n=19), stated that management consistently does so, while the remaining ten SAIs indicated that management does so to some extent. One SAI failed to provide a response to this question.

Figure 11 | SAI senior management actively promotes ethical conduct (n=30)

	n	%
Yes, consistently	19	63.3
Yes, to some extent	10	33.3
Missing	1	3.3

- 18 | SAIs were then asked to elaborate on the ways in which senior management promotes ethical conduct. Various qualitative replies were provided, and these were classified into main themes, as presented in the Figure 12. The three most common responses related to tone at the top, the development and implementation of an ethics framework and the provision of ethics-related training for staff. Twelve SAIs noted that senior management lead by example, in the knowledge that their conduct will shape the ethical climate at the workplace, inevitably trickling down the

hierarchy of the organisation and influencing staff. Eleven SAIs further indicated that senior management also promoted ethical conduct by supporting, advocating and developing (either directly or through delegation to a special taskforce) rules, guidelines and codes of ethics, and their revision according to need, and ensuring their effective implementation. Related to the implementation of ethics rules and guidelines, three SAIs noted that senior management are responsible for developing protocols to deal with situations of ethical misconduct or other work processes that require considerable attention to ethics, such as staff appraisals, while three SAIs mentioned the integration of an adequate control environment. Through supervision and guidance, senior management also ensure that the work of SAIs is in line with ethical standards, and that similarly, staff behaviour is compliant with the ethical framework. Nine SAIs also mentioned management’s commitment to training staff through the provision of structured information, seminars, lectures, workshops and conferences. Closely related to training was the dissemination of relevant information to staff, cited by six SAIs, and the facilitation of internal discussions, cited by five SAIs. Additionally, six SAIs noted that senior management participated in awareness raising activities, such as personal posts on social media, interviews on mass media, lectures and talks to the public. Other cited ways in which SAI senior management actively promoted ethical conduct included participation in projects such as INTOSAINT, undertaking and analysing the results of a self-assessment exercise of the SAI’s ethical climate and integrity, accepting the recommendations of ethics committees and by making a formal commitment to the rules.

Figure 12 | Ways in which SAI senior management actively promoted ethical conduct (n=30)

	N	%
Leading by example – tone at the top	12	40.0
Drawing up, updating and implementing ethics rules, guidelines and policies	11	36.7
Organising ethics-related training for staff	9	30.0
Promoting and ensuring ethical conduct of SAI staff	8	26.7
Disseminating relevant information	6	20.0
Participating in awareness raising activities	6	20.0
Facilitating internal discussions	5	16.7
Introducing protocols to deal with specific ethics-related circumstances	3	10.0
Ensuring an adequate control environment	3	10.0
Performing and analysing assessments of the SAI’s ethical climate	3	10.0
Accepting recommendations put forward by the ethics committees	2	6.7
Formally committing to the rules	1	3.3
Participating in integrity projects	1	3.3



19 | All 30 SAIs were provided with a list of features, representing characteristics of a sound ethical framework, and were asked to indicate those features which were in place within their SAI. One SAI failed to provide a response to this survey question. As clearly indicated in Figure 13, most items are existent within the majority of SAIs. The regulation of employees' conduct in respect of private business or other professional activities, and the investigation of and action being taken in cases of misconduct or breach of ethical values are the two most widespread features among SAIs, being undertaken in 27 out of the 30 respondent SAIs. The three features that relate to the assessment and analysis of systematic risk, such as periodic exercises to identify ethical risks, tools available to employees for self-assessment of adherence to ethical principles and surveys of auditees' perception on ethical conduct of SAI's staff are less prominent, being undertaken by 13, 10 and 6 SAIs, respectively.

Figure 13 | Features within SAI (n=30)

	N	%
Investigation and action taken on cases of misconduct or breach of ethical values	27	90.0
Regulation of employees' conduct of private business or other professional activities	27	90.0
Formal commitment to the code of ethics	23	76.7
Sanctioning of those involved in misconduct	23	76.7
Action taken to mitigate ethical risks	22	73.3
Procedure in place for employees and/or third parties to report suspected violations	22	73.3
Specific ethics training delivered	20	66.7
Ethics included as a criterion in recruitment, performance appraisal and professional development	21	70.0
Formal statements of absence of conflict of interests obtained from employees	21	70.0
Ethical advice available to staff	20	66.7
Consideration of ethics in human resources management, both in recruitment and professional development	20	66.7
Statements of protection of confidentiality of information obtained from employees	20	66.7
Monitoring of assets, interests, gifts and hospitality received for employees	18	60.0
Protection provided to those who reported suspected wrongdoing	15	50.0
Job rotation policies and schemes	15	50.0
Periodical exercises to identify and analyse ethical risks	13	43.3
Tools available to employees to self-assess their adherence to ethical values and principles	10	33.3
Survey of auditees' perception on ethical conduct of SAI's staff	6	20.0

20 | SAIs were asked to disclose whether an evaluation of ethics-related performance of their entity had been undertaken. Sixteen SAIs indicated that such an evaluation had taken place and the remaining 13 SAIs indicated that this exercise had not been undertaken. One SAI failed to provide a response to this survey question.

Figure 14 | Evaluation of ethics-related performance of the SAI undertaken (n=30)

	n	%
Yes	16	53.3
No	13	43.3
Missing	1	3.3

- 21 | Those 16 SAIs that indicated that an ethics-related performance evaluation had been undertaken were requested to indicate whether this evaluation was undertaken internally or externally to the SAI. Ten SAIs stated that this was undertaken internally, two SAIs indicated that this was undertaken externally, while another four SAIs indicated elements of internal and external evaluation.

Figure 15 | Type of evaluation undertaken (n=16)

	N	%
Internal	10	62.5
External	2	12.5
Internal and external	4	25.0

- 22 | Additionally, details of the tool or process utilised to undertake an evaluation of the ethics-related performance of the SAI were requested from the 16 SAIs that had undertaken this exercise. Eight SAIs indicated having undertaken a self-assessment based on INTOSAI, with one additional SAI indicating that it planned to undertake this assessment in the future, while seven SAIs indicated basing their self-assessment on the SAI performance management framework (PMF). Three SAIs mentioned undertaking an internal audit, evaluation or review without specific reference to INTOSAI or SAI PMF. One SAI mentioned complementing the INTOSAI tool with a national integrity risk management tool. Peer reviews were undertaken by three SAIs, while another three SAIs involved experts or members of other SAIs as reviewers or moderators to their internal self-assessment exercise. Of interest is that six SAIs indicated that they had already undertaken multiple evaluations to date, while two SAIs made reference to planned evaluations. One SAI failed to provide any details with respect to the tools used or process undertaken to evaluate its ethics-related performance.

Difficulties in implementing ISSAI 130

- 23 | All participating SAIs were requested to describe any difficulties faced by the institution in implementing ISSAI 130. This question was not limited to those SAIs who had successfully implemented ISSAI 130, as unsuccessful attempts at this endeavour were considered relevant. Eleven SAIs indicated facing difficulties in implementing ISSAI 130. Difficulties faced varied and consisted of the following:
- a | Objections from staff as to the necessity of the code of ethics, especially in situations where the legal framework already covered a vast range of ethical issues;
 - b | Objections raised by staff and trade union representatives with respect to the introduction of specific provisions motivated by the application guidance on ISSAI 130 (as opposed to the standard requirements), such as the need to notify management of employment negotiations with audited entities and restrictions on the participation of staff in political activities and social networking;
 - c | Difficulty in implementing ISSAI 130 in its entirety;

- d | Difficulties faced in selecting the composition of ethical committees that ensure independence;
 - e | The lack of specific details in ISSAI 130 to determine the scope, the extent of prescription and content of a code of ethics, with the ISSAI 130 considered to provide guidance and general principles;
 - f | Legal restrictions within national legislative framework with respect to the format and adoption process of the code of ethics; and
 - g | Time and human resources constraints to implement ISSAI 130, including specifically to set up a control system and undertake monitoring.
- 24 | The 11 SAIs that noted these difficulties include two SAIs that had previously indicated explicitly adopting ISSAI 130, four SAIs that had indicated that the SAI had its own code of ethics based on ISSAI 130 and five SAIs that had indicated that the SAI had not adapted its code of ethics to the new ISSAI 130 requirements. Eleven SAIs specifically indicated not having encountered any difficulties in implementing ISSAI 130, of which nine SAIs had previously indicated that the SAI had its own code of ethics based on ISSAI 130, one SAI had indicated that the SAI had not adapted its code of ethics to the new ISSAI 130 requirements and one SAI had indicated not having a code of ethics. Eight SAIs did not provide a reply. Of these, four SAIs had indicated that the SAI had its own code of ethics based on ISSAI 130, three SAIs had indicated that the SAI had not adapted its code of ethics to the new ISSAI 130 requirements and one SAI had indicated not having a code of ethics.

Figure 16 | Difficulties faced in implementing ISSAI 130 (n=30)

	N	%
Yes	11	36.7
No	11	36.7
Missing	8	26.7

- 25 | All participant SAIs were asked whether any additional guidelines were necessary for the implementation of ISSAI 130. The majority of respondents, 26 SAIs, indicated that no further guidelines were necessary. Three SAIs were of the opinion that further guidelines are required, while one SAI did not answer this question.

Figure 17 | Further guidelines required for the implementation of ISSAI 130 (n=30)

	n	%
No	26	86.7
Yes	3	10.0
Missing	1	3.3

- 26 | Those three SAIs that indicated that additional guidelines were necessary to further guide the implementation of ISSAI 130 were requested to elaborate on the required additional guidelines. One SAI indicated that practical guidelines that elaborate in detail on the implementation of

ethical values and potential cases of misconduct and violation of ethical values were required. Similarly, another SAI indicated the need for a collection of good practices, and possibly a maturity model with greater direction and detail than the existing SAI performance management framework (PMF). The other SAI mentioned further guidelines required on how to implement ISSAI 130 and how to audit ethics in the public sector.

Auditing ethics

27 | SAIs were asked to indicate whether they had carried out any audit or study focused specifically on assessing ethics and integrity in the public sector or any of its organisations in the previous five years. Of interest was that 40 per cent (n=12) of SAIs indicated that they had carried out audits or studies focused on assessing ethics and integrity, while 60.0 per cent (n=18) of responding SAIs indicated that they had not.

Figure 18 | Audit or study focused specifically on assessing ethics and integrity in the public sector or any of its organisations undertaken in the previous five years (n=30)

	n	%
Yes	12	40.0
No	18	60.0

28 | Those 18 SAIs that indicated that they had not carried out any audit or study focused specifically on assessing ethics and integrity in the public sector or any of its organisations in the previous five years were asked to indicate the reason why they had not undertaken these audits. Respondent SAIs were provided a few close-ended response options (mandate limitations, resource limitations, lack of relevant experience and other priorities), but were also allowed the possibility of specifying other reasons. Respondent SAIs were instructed to tick or list all applicable reasons for not undertaking such audits. Two SAIs indicated 'mandate limitations', three SAIs indicated 'resource limitations', three SAIs 'lack of relevant experience' and 11 SAIs indicated 'other priorities' as the reason for not undertaking these audits. Additionally, two SAIs explained that in auditing the control environment in other audits (not focused specifically on ethics), ethical issues are considered and adherence to ethics is assessed. Of these two SAIs, one specifically indicated that this auditing of the control environment is part of compliance audits. Another reason, cited by two SAIs, is the fact that the responsibility and legal mandate for assessing ethics rests with other entities.

Figure 19 | The reasons for not undertaking audits/studies assessing ethics and integrity in the public sector or any of its organisations in the previous five years (n=18)

	n	%
Other priorities	11	61.1
Lack of relevant experience	3	16.7
Resource limitation	3	16.7
Ethics checks conducted as part of other audits	2	11.1
Mandate limitations	2	11.1
Other entities responsible	2	11.1

29 | The 12 SAIs that indicated that they had conducted audits or studies focused specifically on assessing ethics and integrity in the previous five years were requested to provide details of these audits/studies. Four SAIs did not provide this information. Figure 19 presents the audits that were carried out by participating SAIs in the last five years. The ethical issues covered included conflict of interest, fraud prevention and detection, corruption prevention and detection, internal control systems, integrity, accountability, as well as ethical climate and top at the top.

Figure 20 | Details of audit or study focused specifically on assessing ethics and integrity in the public sector or any of its organisations undertaken in the previous five years (n=12)

Audit	Objective/scope
Audit conducted on conflicts of interests between the ministry of health and private industries of pharmaceutical or medical equipment	To verify the ethical conditions for the application of the law relating to the reinforcement of the sanitary safety of medicines and health products
Fraud prevention and detection in public companies owned by local and regional self-government unit	To determine whether companies have put in place appropriate policies, procedures and controls to prevent fraud To determine whether companies are taking the necessary actions to raise awareness amongst employees about the possibility of fraud To evaluate the effectiveness of internal control systems with respect to fraud risks To determine what actions the companies have put in place to detect fraud as soon as possible
A review of the ethical framework guiding public employees	To assess the effectiveness of the ethical infrastructure that guides public employees
The ethical frameworks of the audited EU institutions: scope for improvement	Assess whether the ethical frameworks of the European Parliament, the Council of the European Union and the European Council, and the European Commission are well established Analyse the awareness of the ethical framework of the staff of institutions
Corruption prevention systems in federal ministries	Pilot audit of corruption prevention measures based on the Guideline for Auditing Corruption Prevention Systems
Lobbying and advocacy registry	Compare the legal foundations with international standards Assess the implementation of the register
Corruption prevention systems at the municipal level	Audit of corruption prevention measures
Administrative sponsoring	Audit of sponsoring agreements and procedures within federal ministries
Compliance audit of senior management procedures	Provide an opinion, based on reasonable assurance, on whether senior management of the government agencies has followed the decreed, prescribed and agreed procedures
Current state of internal control and risk management in central government	Determine how internal control and risk management are organised in central government
Integrity management in the aid provided to victims of forest fires	Assess whether the controls in place were effective in safeguarding integrity and compliance and in ensuring accountability in the use of funds
Analysis of public sector integrity (2018)	<i>No details provided</i>

Analysis of public sector integrity (2017)	<i>No details provided</i>
Research paper on the results of Integrity survey (2016)	<i>No details provided</i>
Summary of the Results of the Integrity Survey of the SAI (2015)	<i>No details provided</i>
Audits on the field of internal controls and integrity controls	<i>No details provided</i>

30 | Those 12 SAIs that indicated that they had carried out audits or studies focused specifically on assessing ethics and integrity in the public sector or any of its organisations in the previous five years were asked to identify the outcomes arising from the corresponding reports. Respondent SAIs were provided a few close-ended response options (changes in management practices, new legislation, amendments in legislation, greater public awareness, accountability of public officials, dismissal of public officials and other sanctions of public officials), but were also allowed the possibility of specifying other outcomes. The most common outcome cited was ‘changes in management practices’ (n=7), followed by ‘greater public awareness’ (n=6) and ‘accountability of public officials’ (n=5). ‘Amendments in legislation’ was quoted by two SAIs and ‘Sanctions of public officials (other than dismissal)’ by one SAI. Additionally, two SAIs specified the ‘Other option’, with one SAI indicating that the report was not yet finalised, and another failing to provide details.

Figure 21 | The outcomes of reports relating to audits/studies assessing ethics and integrity in the public sector or any of its organisations undertaken in the previous five years (n=12)

Outcome	N	%
Changes in management practices	7	58.3
Greater public awareness	6	50.0
Accountability of public officials	5	41.7
Amendments in legislation	2	16.7
Others	2	16.7
Sanctions of public officials (other than dismissal)	1	8.3
New legislation	0	0.0
Dismissal of public officials	0	0.0

31 | Those 12 SAIs that indicated that they had carried out audits or studies focused specifically on assessing ethics and integrity in the public sector or any of its organisations in the previous five years were asked to indicate whether they had carried out follow-up audits or studies focused specifically on assessing ethics and integrity. Five SAIs replied in the affirmative, five SAIs replied in the negative and there were two cases of item non-response. One SAI indicated it had not carried out any audits or studies focused on ethics in the past five years yet replied to this question (even though this question should have been skipped). This SAI indicated that it had carried out follow-up audits on this subject matter.

Figure 22 | Follow-up audits or studies focused specifically on assessing ethics and integrity in the public sector or any of its organisations (irrespective of the publication date of the original audit/study) undertaken in the previous five years (n=12)

	n	%
Yes	5	41.7
No	5	41.7
Missing	2	16.7

- 32 | Those five SAIs that indicated that they had carried out carried out follow-up audits or studies focused specifically on assessing ethics and integrity in the previous five years were asked whether shortcomings identified in the original audits or studies were addressed at the follow-up. Encouragingly, all five SAIs confirmed improvements at follow-up, with one SAI indicating that shortcomings had been completely addressed, and four SAIs indicating that the shortcoming had been addressed to some extent. There was one case of a SAI that had indicated it had not carried out any follow-ups yet replied to this question (even though this question should have been skipped), indicating shortcoming were addressed to some extent at follow-up. Possibly, in this case, follow-up refers to an exercise, such as an inspection, other than audit.

Figure 23 | Shortcomings identified in the original audits or studies addressed at the follow-up (n=5)

	n	%
Yes, completely	1	20
Yes, to some extent	4	80

- 33 | All participating SAIs were asked whether, in the previous five years, they had included the assessment of ethics-related issues in financial, compliance and/or performance audits. Of note was that 17 SAIs replied in the affirmative, and ten SAIs replied in the negative, while three failed to provide a response to this question. It is interesting to note that of those 17 SAIs that replied in the affirmative regarding the assessment of ethics-related issues in financial, compliance and/or performance audits in the previous five years, seven SAIs had also carried out audits or studies focused specifically on assessing ethics in the previous five years, while the remaining ten SAIs had not carried out such audits. Additionally, when considering the 12 SAIs that had carried out audits or studies focused specifically on assessing ethics in the previous five years, five SAIs had also undertaken an assessment of ethics-related issues included in financial, compliance and/or performance audits in the previous five years, while six SAIs had not and one SAI had failed to indicate whether it had undertaken such work.

Figure 24 | Assessment of ethics-related issues included in financial, compliance and/or performance audits in the previous five years (n=30)

	n	%
Yes	17	56.7
No	10	33.3
Missing	3	10.0

- 34 | Those 17 SAIs that indicated that they had included the assessment of ethics-related issues in financial, compliance and/or performance audits in the previous five years were asked to indicate the ethical issues considered in these audits. One of the most common ethical issues considered in financial, compliance and performance audits, as indicated in the survey responses, is the efficacy of the internal control environment (n=12). Audits assessing internal control environment have considered the existing ethical climate, the framework of rules, ethical principles and values, the communication of this framework to all public officials, mechanisms for monitoring and detecting ethical issues, and the procedures in place to address unethical conduct. Another theme in the responses relates to legal compliance relating with the administration of public funds and assets, with findings in this respect including misuse of public funds. The integrity of public sector officials was cited by seven SAIs as one of the ethical issues considered in audits, with specific examples cited covering various substantive topics, audit environments and work activities. These include the utilisation of state budget funds for infrastructural works, the collection of revenue relating to the sale of state assets, the management of state assets, the acceptance of gifts and the application of ethical standards by political figures. Other issues, closely related to integrity, cited by various SAIs, were fraud and corruption (n=4), and conflicts of interest (n=9). One SAI indicated placing special focus on the audit of fraud and corruption within public procurement. Conflicts of interest were explored in cases of parallel employment, rotating doors, competing family interests and the unjustified participation of a company owned by the municipality in a commercial activity. Other ethical issues cited are the independence and objectivity of public officials (n=4), transparency (n=3), competence (n=2), professional behaviour (n=1) and confidentiality (n=1).



- 35 | Those 17 SAIs that indicated that they had included the assessment of ethics-related issues in financial, compliance and/or performance audits in the previous five years were also asked whether they had developed their own guidelines and/or methodologies on auditing ethics-related issues in the public sector. Six SAIs replied in the affirmative, and ten SAIs replied in the negative, while one SAI failed to provide a response to this question.

Figure 25 | Developed guidelines and/or methodologies on auditing ethics-related issues in the public sector (n=17)

	N	%
Yes	6	35.3
No	10	58.8
Missing	1	5.9

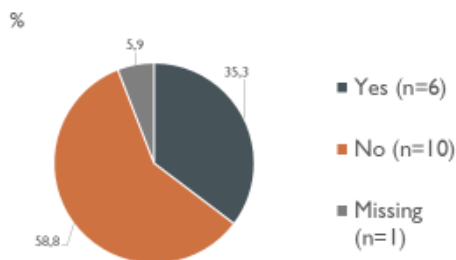
- 36 | Those 17 SAIs who indicated that they had included the assessment of ethics-related issues in financial, compliance and/or performance audits in the previous five years were also asked whether they had used the EUROSAl guideline “*Audit of Ethics in Public Sector Organisations*”. Eleven SAIs had utilised this guideline, while six had not.

Figure 26 | Utilised the EUROSAl guideline “*Audit of Ethics in Public Sector Organisations*” (n=17)

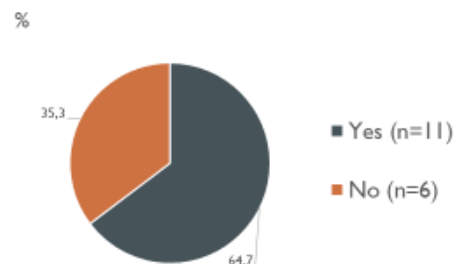
	N	%
Yes	11	64.7
No	6	35.3

GUIDELINES ON AUDITING ETHICS-RELATED ISSUES (N=17)

DEVELOPED OWN GUIDELINES (n=17)



UTILISED EUROSAl GUIDELINES (n=17)



- 37 | Encouragingly, all eleven SAIs that had utilised this guideline, indicated finding it useful. There were three case of SAIs that had not used these guidelines, yet answered this question (even though this question should have been skipped), indicating that they found these guidelines useful. Similarly, four SAIs that had indicated that they had not undertaken assessments of ethics-related issues in financial, compliance and/or performance audits in the previous five years also answered this question (even though this question should have been skipped). Possibly, these seven SAIs are offering an assessment of guidelines they have read but have not utilised directly.

Figure 27 | The EUROSAI guideline “*Audit of Ethics in Public Sector Organisations*” considered useful (n=11)

	n	%
Yes	11	100
No	0	0

38 | All participating SAIs were requested to provide feedback regarding any amendments or developments required in the EUROSAI guideline “*Audit of Ethics in Public Sector Organisations*”. Feedback provided was limited. Six SAIs simply indicated that they did not have any feedback to provide in this respect and 19 SAIs skipped this question. Two SAIs provided exclusively positive appraisals, with one SAI indicating that the guideline proved useful in training staff and improving the professional capacity of auditors, and the other SAI asserting that the guideline has a useful infrastructure. Only three SAIs submitted proposals for improvements. One SAI suggested developing the definition of standards of audit on ethics-related issues considered in financial and performance audits, with special regard to budgetary controls and controls on public procurement. Another SAI praised the quality of the guidelines, and suggested including a very operational appendix containing among other things a map of ethical risks, red flags, audit points, preventive recommendations, as well as examples of due diligence and questions to ask interviewees. The other SAI recommended regularly updating the guidelines to include new items and emerging themes.

Ethics related documents

39 | All participating SAIs were requested to upload copies (or provide links) of any relevant ethics-related documents. In response, 21 SAIs provided documentation. Figure 28 provides a breakdown of the documents provided. The most common documentation provided was a copy of the code of ethics, forwarded by 13 SAIs. Nine SAIs provided links to audit reports focusing on ethics. Nine SAIs did not provide any documentation, with four SAIs noting that this documentation was only available in the national language and one SAI indicating that the documentation was internal to the organisation.

Figure 28 | Ethics-related documentation provided (n=30)

	N	%
Code of ethics	13	43.3
Audit reports	9	30.0
SAI strategy	4	13.3
Legislation or legal documents	4	13.3
Policies	2	6.7
Details about SAI body responsible for ethics	2	6.7
Guidelines for auditing ethics	2	6.7
Guidelines for implementing ethics within the SAI	1	3.3
Training material	1	3.3

News and articles	1	3.3
Court judgements	1	3.3
Compendium of opinions, recommendations and advice	1	3.3
Activity reports	1	3.3
Documentation related to TFA&E activities	1	3.3
Declaration of ethical values and principles	1	3.3

- 40 | When asked whether they would be willing to share the submitted documents, 16 of the 21 SAIs that submitted documentation indicated they would be willing to share these documents publicly, while the remaining four SAIs indicated they would be willing to share these documents only with other SAIs. One SAI failed to provide a response for this question, however, it is noted that the documents forwarded are already publicly available online.

Figure 29 | Willingness to share submitted documentation (n=21)

	N	%
Share publicly	16	76.2
Share only with other SAIs	4	19.0
Missing	1	4.8

Impact of the TFA&E activities

- 41 | All participating SAIs were requested to describe if and how the activities of the TFA&E influenced their SAI's approach to ethics management and integrity audit. The majority of responding SAIs referred to specific TFA&E activities and actions that influenced their method, efforts and practices. The most mentioned activity relates to the provision of guidelines and documentation (n=8), specifically the guidance notes on the implementation of ISSAI 130 and the guidance notes on the audit of ethics in the public sector. Other actions and activities cited include the exchange of information and views by SAIs (n=7), the proposal of good practice examples (n=4), individualised support or expert advice (n=4), the organisation of training, seminars and conferences (n=3), shared commitment to ethics-related audit topics (n=1) and the dissemination of survey questionnaires and findings (n=1). On the other hand, four SAIs mentioned more generally their participation as members in the TFA&E as the activity of influence.
- 42 | Responses indicate that TFA&E has influenced ethics management and integrity audit in various ways. It was considered as a learning opportunity (n=5) and as a source of information and encouragement for the implementation of best practices (n=4) for SAIs. Moreover, it has raised awareness on and reinforced the importance of ethics within the SAI as an institution, within the wider public sector, and within the audit scope, resulting in a committed focus on ethics (n=10). The TFA&E's influence has resulted in specific actions related to the strengthening of the internal ethics management system (n=14), including the drafting or updating of an internal code of ethics (n=8), improvements in internal policy and practice, including recruitment and

reporting procedures (n=2), the implementation of IntoSAINT (n=2), the increase of management capacity of ethics and integrity (n=1) and the provision of ethics-related training or the organisation of seminars for staff (n=5). Eight SAIs also mentioned the impact of TFA&E on their audit work, including the consideration of ethical issues in audits, the development of ethics-related criteria for audit assessments, and the choice of ethics-related topics. Also mentioned were improved efforts by the SAI to raise awareness of ethics in the public sector (n=4) and the review of the integrity survey (n=1).

Future ethics related activities

43 | All participating SAIs were asked to suggest future activities they wished EUROSAI to conduct in the field of ethics. One of the most prominent suggestions was that of creating a platform for the exchange of information and documentation, and the sharing of experiences between SAIs, including examples of good practice, policies, procedures manuals and audit reports. Different proposals for the method for this exchange information were provided, including the development of an online database or information bank in this respect, the organisation of seminars, conferences or festivals organised by a member SAI, the uploading of information on the EUROSAI TFA&E website, or dissemination through the current established network. Highlighted topics for discussion include the utilisation of self-assessment tools, such as SAI PMF, policies and practices intended to enhance ethics and integrity in SAIs' internal processes, and audits focused on ethics. Additional to EUROSAI providing the platform and mechanisms for SAIs to share information and experiences between themselves, some responses mentioned the provision of good practice examples by EUROSAI. Good practice examples for the audit of ethics and the effective implementation of the code of ethics within the SAI, and examples of ethical behaviour, including resolution of ethical dilemmas, prevention of ethical violations, and impact assessments of prevention activities were quoted. Respondents also suggested that EUROSAI continue developing documentation and tools to further guide SAIs in auditing ethics (including the development of the methodological framework and audit indicators), implementing ethics internally within their organisation (including how to report on conflicts of interest), and in fighting anti-corruption and promoting transparency in public management, and more generally in public and political life. The provision of training on ethics-related issues, awareness-raising activities, the organisation of events including seminars, festivals or conferences was another strong theme that emerged in the responses. Collaborative efforts, including joint projects, cooperative audits on the implementation of EU directives on ethics management and regulation within public entities, and the utilisation of the working group were also mentioned. More direct assistance to individual SAIs through tailor-made training, assistance in self-assessments, follow-up initiatives and peer reviews, as well as the provision of an expert group to provide support, advice, manage knowledge and deliver training were proposed. It was also suggested that EUROSAI liaise further with international organisations, such as the IDI, the IIA and the OECD in its endeavours to promote an ethical environment. Finally, it was suggested that work on ethics and integrity should be more prominent within EUROSAI.

SUGGESTED FUTURE ACTIVITIES

Platform for the exchange of information	Provision of good practice examples
Further development of documentation & tools	Provision of training
Collaborative efforts	Direct assistance to individual SAIs
Further liaison with international organisations	Greater prominence to work on ethics & integrity

2020 AUDIT AND ETHICS SURVEY

26

Comparison with previous surveys

- 44 | The results of this survey were compared to those conducted in 2012, to identify whether progress has been achieved in this period in the various aspects being reviewed. Here, the statistics of different periods are being compared, rather than comparing the individual responses of SAIs. Therefore, this analysis should be interpreted with caution due to possible non-response biases, especially when considering the lower response rate in the 2020 survey. When compared with 2012, a greater percentage of respondent SAIs indicated having a code of ethics that is specific to the SAI, 70.0 per cent vs 68.8 per cent. Similarly, the percentage number of SAIs with designated officials responsible for monitoring adherence to ethical values and principles has increased between 2012 and 2020, from 56.3 per cent in 2012 to 66.7 per cent in 2020. An even greater increase was noted with respect to the undertaking of internal or external evaluations of the SAI's ethics-related performance, 53.3 per cent in 2020 versus 40.6 per cent in 2012. A substantial increase was registered in the area of training, where while in 2012 56.3 per cent of respondent SAIs indicated having organised or participated in training on or related to ethics, in 2020, 66.7 per cent of respondent SAIs indicated delivering specific ethics training. Other positive trends were noted with respect to the availability of job rotation policies and schemes (50 per cent in 2020 versus 40.6 per cent in 2012) and tools for staff self-assessment (33.3 per cent in 2020 versus 25 per cent in 2012).
- 45 | With respect to the audit of ethics, mixed results were noted. An increase was noted in the number of respondent SAIs carrying out audits focused on assessing ethics and integrity in the public sector, undertaken by 31.2 per cent and 40.0 per cent of respondent SAIs in 2012 and 2020, respectively. On the other hand, the percentage of SAIs that had undertaken an

assessment of ethics-related issues in financial audits, compliance audits or performance audits, decreased from 62.5 per cent in 2012 to 56.7 per cent in 2020. It is important to recognise that the timeframe indicated for conduct of these audits changed in the different surveys, from 10 years in 2012 to five years in 2020, and that therefore the catchment period was narrower in the 2020 survey.

Conclusions

- 46 | The results presented above indicate that the code of ethics remains a very popular tool for reinforcing SAIs' values, principles and expected behaviours. The absolute majority of respondent SAIs (93.3 per cent) have a code of ethics in place, which, in the vast majority is based on the provisions of ISSAI 130 and is publicly available. Moreover, all but four of the codes of ethics in place were either introduced or reviewed in the last 10 years. Although a number of respondent SAIs (36.7 per cent) mentioned encountering some difficulties in the implementation of ISSAI 130, no further implementation guidelines were deemed necessary by all but three respondent SAIs.
- 47 | The majority of respondent SAIs are strengthening the ethical climate and control environment within the SAI environment. This is achieved by having senior management consistently promote ethical conduct (63.3 per cent), designating officials responsible for monitoring adherence to ethical values and principles (66.7 per cent), undertaking evaluations of their ethics-related performance to identify required areas of improvement (53.3 per cent), as well as integrating various features of a sound ethical framework. The TFA&E had a significant input in this; raising awareness about the importance of ethics and the tools available for guidance and assessment and disseminating information that assist SAIs in the implementation of such monitoring.
- 48 | An area that seems to be lagging in terms of priority by SAIs relates to the audit of ethics and integrity. While the majority of respondent SAIs (56.7 per cent) incorporate assessments of ethics-related issues in the performance, financial and compliance audits, audits focused exclusively on ethics and integrity tend to be side-lined, in view of other priorities. In effect, only 40.0 per cent of respondent SAIs indicated undertaking audits focused on ethics and integrity in the public sector. More encouraging is the fact that 41.7 per cent of SAIs who carried out such studies, also undertook follow-ups, all confirming improvements. The audits focused on ethics and integrity, which covered a diverse range of topics, contributed mainly to changes in management practices, greater public awareness and accountability of public officials. This highlights the need for further work within EUROSAI to raise awareness on the importance of audits focusing on ethics and integrity.
- 49 | The TFA&E and EUROSAI might consider following up on the areas identified in this survey, ensuring that ethics and integrity are kept high on the agenda, while continuing to provide SAIs with the tools and support required for the implementation of related measures.