## Revision of ISSAI 30: INTOSAI Code of Ethics

### International Integrity Seminar

Budapest, 23 February 2016
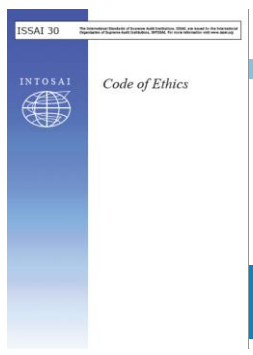
Jacek Jezierski, Supreme Audit Office of Poland (NIK)

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## Background (1)

- **1998:** adoption of the Code of Ethics by the XVI INTOSAI Congress in Montevideo

- **June 2013:** decision by the INTOSAI PSC Steering Committee to review ISSAI 30

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## Background (2)

- **Early 2014:** initial assessment (including INTOSAI-wide survey) by the team composed of the SAIs of Indonesia, Poland (coordinator), Portugal, the UK and the USA and the developments of the EUROSAI TF Audit & Ethics

- **May 2014:** recommendation on the need to revise ISSAI 30 submitted to the PSC Steering Committee
    - ➔ approved by PSC SC

## Survey

Developed: February 2014

Results gathered and analysed: April 2014

Examples of questions that were asked:
- Within your SAI, who do you see as the main beneficiaries of ethics codes/ standards?
- Is your SAI's compliance with its adopted ethical standards or guidance subject to any assessment or review?
- Besides standards for auditors, should ISSAI 30 include standards for SAI as to manage ethics?

Plus detailed questions about the values and structure of the Code.

## Objective of the ISSAI 30 revision

to make the standard more useful to SAIs and to make it meet the challenges of the current public audit environment

## Areas of revision (1)

- Shifting from the perspective of an individual auditor to the perspective of a SAI, with due consideration to stakeholders

- Emphasising the importance of ethical culture and principles as a means of preventing unethical behaviour

- Consistency with other ISSAIs

- Reviewing fundamental principles and core values

## Areas of revision (2)

- Introduction of ethics management and control into the Code → building an ethical infrastructure
- Updating terminology
- Improving clarity of the document through consistent headings/numbering/paragraphs etc.

## ISSAI 30 Revision Team

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|---|---|
| **ALBANIA** | **NEW ZEALAND** |
| **CHILE** | **POLAND** |
| **HUNGARY** | **PORTUGAL** |
| **INDONESIA** | **SOUTH AFRICA** |
| **KUWAIT** | **UNITED KINGDOM** |
| **MEXICO** | **UNITED STATES OF AMERICA** |
| **NAMIBIA** | **IESBA** |
| **THE NETHERLANDS** | |

## ISSAI 30 Revision – step by step (1)

- **2014: Concept of the contents and structure developed** (survey results, achievements of EUROSAI Task Force on Audit & Ethics, codes of ethics of other organisations)
- **1st half of 2015: drafting**
- **September 2015: Final draft developed**
- **October 2015: approval by the PSC Steering Committee**

## ISSAI 30 Revision – step by step (2)

■ ISSAI 30 Exposure Draft posted on www.issai.org
for open commenting from 1 November 2015
to 1 February 2016

■ **Ultimate goal:** revised ISSAI 30 approved
by XXII INCOSAI in Abu Dhabi in December 2016

### Revision of ISSAI 30: detailed time frame for the Due Process

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|---|---|
| Exposure Draft open for comment | 1 November 2015 – 1 February 2016 **CLOSED FOR COMMENTING** |
| Publication of comments on www.issai.org | February 2016 **DONE** |
| Comments introduced to the exposure draft | February – May 2016 **TEAM MEETING IN MARCH** |
| Approval by the PSC Steering Committee | May 2016 |
| Translation of the draft into INTOSAI official languages | June – August 2016 |
| Approval of the endorsement version by the INTOSAI Governing Board in Abu Dhabi | December 2016 |
| Approval by INCOSAI in Abu Dhabi | December 2016 |

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### Revised ISSAI 30: basic differences with the present version

■ Addressee

■ General responsibilities of SAIs in the area of ethics

■ Values: number and wording

■ Structure

■ Length

## Ethical values

**Current ISSAI 30**

- Integrity
- Independence, Objectivity and Impartiality
- Professional Secrecy
- Competence

**Revised ISSAI 30**

- Integrity
- Independence and objectivity
- Competence
- Professional behaviour
- Confidentiality

## Revised ISSAI 30: structure

- Technical notes
- Preamble
- Overall approach to ethical behaviour
- Overall responsibilities of SAIs
- Values discussed separately; under each value a short explanation, as well as requirements for both SAIs and their staff, and application guidance hints

## Comments on draft revised ISSAI 30: some statistics

- Responses received from 53 organisations (50 SAIs, 1 INTOSAI Regional Working Group and 2 other organisations)
- 31 organisations submitted comments: 295 comments altogether
- 22 SAIs fully supported the draft or had no comments.

### Revised ISSAI 30: most interesting comments

- Confidentiality vs Transparency
- Independence and Objectivity – to separate or not to separate
- Ethics control system as part of the existing internal control system rather than a separate one
- Questions about best practices and specific examples
- To further emphasise the role of organisational culture

## All comments are available at:
## www.issai.org

## Thank you