



Methods and measuring tools to audit ethics

Possible structure and content for the TFA&E guidelines on how to audit ethics

(Based on the discussions held during the electronic follow-up seminar)

General:

- Guidelines are intended to promote ethics auditing.
- Guidelines should be general enough for every SAI to use it, whatever its mandate to audit ethics is.
- Guidelines should mention the role of ethics' audits in preventing corruption but not explore the issue of fighting corruption extensively. We should link to standards developed by INTOSAI through other groups; we should ensure consistency and avoid overlaps.
- Guidelines should be drafted as a useful, flexible guide with useful best practice, describing the possible approaches, and they are not meant to be a standard.
- Best practices and examples could be added to the guidelines in form of appendices.

Sections	Issues to cover
1. Introductory issues	<ul style="list-style-type: none"> • Background and purpose for the guidelines • Why it is important for SAIs to audit ethics <ul style="list-style-type: none"> – Ethics as a part of public governance, compliance and performance – The role in preventing corruption (link to other existing guidance) – Impact/benefits of auditing ethics • SAI's mandate to audit ethics • Related ISSAI
2. Concepts and definitions	<ul style="list-style-type: none"> • Ethics and law <ul style="list-style-type: none"> – distinction between these two issues – types of unethical behaviour • Ethics as part of the internal control system • Audit problem/what is auditable • The dimensions to be assessed <ul style="list-style-type: none"> – ethical culture/climate – ethical infrastructure
3. SAI's possible approaches	<ul style="list-style-type: none"> • Raising awareness initiatives & encouraging self-assessments • Coordination with others (specially internal auditors but also other bodies working in the prevention of corruption) • Interrelation with financial, compliance and performance audit: <ul style="list-style-type: none"> – covering ethical issues in the work programs of those audits – compliance audit on ethics aspects – performance audit on ethics aspects • Audit of the ethics control system: control environment and internal control systems • Analysis of public administration or a specific body's ethics

	<p>governance/infrastructure</p> <ul style="list-style-type: none"> • Audit of specific issues: <ul style="list-style-type: none"> – which have a special importance in the management of ethics (tone at the top, whistleblowing, etc.) – where there is a higher risk of unethical behaviour (public procurement, conflicts of interests, equal treatment, sensitive personal data, etc.) • Examples of good practices in auditing ethics
<p>4. Reference frameworks/audit criteria</p>	<ul style="list-style-type: none"> • Hard and soft controls • Legal requirements, regulatory framework, processes and procedures and organisation culture • Ethical management benchmark/framework (UN, OECD, COSO) • Applicable ISSAI • National context and criteria <ul style="list-style-type: none"> – Incl. i.a. links between national strategies (for example, anti-corruption strategies)
<p>5. Audit objectives/audit programs</p>	<ul style="list-style-type: none"> • Expected outputs and outcomes • Risk based analysis to determine audit focus (using i.a. information from internal auditors) • Risk areas • Auditing organisational culture and implementation and not only processes and procedures • General audit plan • Detailed audit program (incl. audit questions) • Illustrative examples of audit questions and audit plans
<p>6. Methods and tools</p>	<ul style="list-style-type: none"> • Needed skills/training of auditors • Sources of information: combination of data sources applied to several parts of the organisation • Use of internal auditors' information • How to measure leadership, communication & culture • Checklists • Communication with auditees thorough the audit process (no-surprise approach) • Meeting agendas • Documents and processes' analysis • Surveys, focus groups and self-assessments: how to prepare, how to apply, how to understand and confirm the information • Interview guides • Other possible tools: grounded theory/story analysis, psychological questionnaires, observations of decision making processes • Looking for causes of identified problems • Assessment guide • Benchmarks and performance indicators • Maturity models • Use of external experts
<p>7. Reporting</p>	<ul style="list-style-type: none"> • Audit evidence • Audit findings, including corruption and non-compliance incidents • Recommendations



	<ul style="list-style-type: none"> • Confidentiality issues • Publication • Communication of audit results
8. Impact	•
9. Follow-up	•
10. The dos and don'ts in an ethics audit	Based on the analysis of available ethics audit toolkit and lessons learned from SAIs having experienced these types of audits
11. Links to other guidance/ concrete audits/good practice examples	