



EUROSAI – Task force on Audit & Ethics

Seminar

Enhancing Ethics within Supreme Audit Institutions

Lisboa, 29-30 January 2014

Workshops: SAIs experiences in preparing and implementing codes of ethics



Workshop 3

The Belgian SAI
(presented by *J. Beckers*)



Introduction (1)

Outline

The challenges and options behind the preparation and implementation of the Code of ethics of the Belgian Court of audit

- Part 1:
Approach chosen to prepare and draw up the code of ethics
- Part 2:
Implementation success factors
- Part 3:
ISSAI 30



Introduction (2)

Calendar

- **July 2004:**
mission statement of the Court of audit approved
- **End 2004:**
strategic plan 2005-2008 established, one of the operational objectives being: “development of a corporate governance, incl. a formal code of ethics”
- **Begin 2005:**
project group entrusted with the preparation and drawing up of a code of ethics
- **March 2009:**
code of ethics approved



Preparation and drawing up

Preparation (1)

Preparation of the code of ethics by a project group (begin 2005)

- Comparative review of the codes already implemented by the SAIs of the EU with a structure similar to the Belgian Court of audit (questionnaire to the SAIs in the EU, second half of 2005)
- Literature review

Preliminary review showed it was necessary to define main themes and trends before drawing up a draft

⇒ reporting to the college



Preparation and drawing up

Preparation (2)

Based on the project group report, the college laid down the main themes and trends for a draft code of ethics (mid 2007)

- Objective
Consolidating confidence into the Court of audit \Rightarrow code of ethics
- Scope
 - Court of audit as a SAI
 - Members and staff
 - Auditors and supporting services
 - Professional activities
- Style
 - Short and general
 - Positive
- Consultation
Consultation procedure with all services and parts of the institution
- Main references: Issai 30 and Dutch Audit Office

Preparation and drawing up

Main themes and trends

Objective (1)

Objective of the code of ethics:

Consolidate and strengthen the reliability and credibility of the Court through formalising and publishing the values aimed at



Publication of the code of ethics
(Court of audit's annual report and website)



Preparation and drawing up

Main themes and trends

Objective (2)

Code of ethics

A code of ethics sets the values to respect within a given framework of standards , in order to guarantee the reputation of an institution.

A code of ethics encompasses stimulating and awareness-raising arrangements to respect , based on a moral commitment.

Not a code of deontology

A code of deontology generally refers to a set of rules which aim at an adequate practice of a profession.

A code of deontology includes rules, the application of which can generally be monitored by a specific body having enforcement measures at disposal.

Not a behaviour code

A behaviour code includes directives relating to positions to adopt and actions to take in concrete situations.

Not a disciplinary code

A disciplinary code usually lists the possible infringements, with the corresponding sanctions, as well as the procedure to follow for establishing and punishing the infringement.



Preparation and drawing up

Main themes and trends

Scope (1)

Peculiar to the Court of audit

The core mission of the Court of audit , i.e. external audit of public activities as expressed in the preamble of the mission statement, is integrated into the code.



Preparation and drawing up

Main themes and trends

Scope (2)

For Court members and staff

- The code of ethics applies to everyone, Court members AND staff.
Senior managers set an example in respecting the values of the code.
- Not only for auditors but also for staff members in supporting functions: each value of the code has a double layer (meaning).
 - A specific content related to the core mission of the Court of audit, i.e. external audit activities.
 - A broader meaning which pertains to the supporting tasks within the Court itself.



Preparation and drawing up

Main themes and trends

Scope (3)

For professional activities

- The code of ethics applies as a rule only to professional activities and actions.
- But some private events can be of such nature that they might jeopardise professional activities.



Preparation and drafting

Main themes and trends

Style

- Short and general
 - Limited number of values
The values “respect”, “openness”, “social responsibility”, “legality”, “savings” or “efficiency” are not mentioned explicitly.
 - There are no explicit provisions about the perception of the notions of integrity or impartiality.
 - Values are expressed in such a way to present a double layer: applicable to audit activities as well as supporting tasks
- Positive speech
Stimulating and awareness-raising
- Commentary integrated into the code of ethics and is a frame for values formulated




Preparation and drawing up

Main themes and trends

Concertation

The Court tries to involve everyone as much as possible in drawing up the code of ethics.


- Preparation:
Transparency towards members of the staff concerning the mission of the project group and the college decisions
- Drafting:
In close concertation with the members of the college, the project group prepares a draft code of ethics (begin 2008)
 - All staff members of the Court have a say about the draft code of ethics, broad consultation rounds
 - The project group reviews the observations of the staff and forwards a revised and motivated draft code of ethics to the college (end 2008)



Preparation and drawing up Result

The college approves the final code of ethics on 18 March 2009.

The code of ethics is included in the 2008 annual report and published on the Court's website.




Successful drawing up

Prerequisites

Success factors for drawing up

- General framework : Mission Statement
- Thorough preparation
- Main themes and trends, preceded by draft texts and validated by the management
- Permanent concertation with all parties involved (bottom up AND top down)
- Project approach



Successful implementation Change

The values expressed in the code of ethics are largely respected. Actually, they can even sound obvious for the members and the staff of the Court .



No change to enforce among members and staff, only awareness to increase.

Successful implementation

Involvement

Transparency about preparation and decision

Thorough concertation procedure (bottom up and top down)



High involvement of the Court of audit management and staff when developing the code of ethics



More chance to successful implementation



Successful implementation

In practice (1)

The Court creates the material conditions for promoting the respect of the values by :

- providing opportunities for professional training and development
- awareness-raising through
 - Development of specific section on the intranet
 - Participation in external seminars
 - Openness, transparency



Successful implementation

In practice (2)

Respecting values can be stimulated through concrete instructions or clear behavioural rules

- E.g. staff regulations: holding more than one function is generally prohibited within the Court of audit and other entities, even unpaid mission or service, in the public sector as well as in commercial businesses
- E.g. directives relating to the collection and use of information issued by authorities and dissemination of the Court of audit's own information among these authorities
- E.g. service orders relating to the use of internet, e-mail and social media



Successful implementation

Enforcement (1)

- Possibility to sanction a behaviour which is quite obviously conflicting with the values of the code of ethics.
- The code of ethics itself does not provide for sanction but internal disciplinary rules can correct wrong behaviour.
- Correcting conduct through general rules.



ISSAI 30


Similarities

The Belgian code of ethics adheres broadly to ISSAI 30.

- Scope: management and staff
- Objective: enhancing confidence ⇒ concept of code of ethics
- Content: very similar
 - Following values of ISSAI 30 are explicitly included in the Belgian code of ethics: Independence, impartiality, integrity, professional secrecy (confidentiality) and competence (expertise)
 - Following values of ISSAI 30 are implicitly included in the Belgian code of ethics : objectivity, professional development, avoiding conflict of interest

Why:

ISSAI 30 was the main source of inspiration for the code of ethics of the Court of audit.



ISSAI 30

Differences

The Belgian code of ethics also differs somewhat from ISSAI 30.

- Scope:
 - Not only for auditors but also for supporting staff
 - Usually for professional activities only
- Style:
 - Shorter and more general
 - Descriptive, straightforward language
- Content:
 - Additional values: respect and loyalty
 - No specific provisions on how to perceive the various concepts
 - No provisions on political neutrality

Why:

- Focus on essential values for all members and staff of the Court
- Call to commitment
- Recognizable by everyone thanks to short and plain language



Thank you for your attention!