

Seminar
“Enhancing Ethics within SAIs”
(Lisboa, 29-30 January 2014)

ETHICS
COMMISSIONER
CONCEPT WITHIN
CROATIAN STATE
AUDIT OFFICE

The State Audit Office of the
Republic of Croatia

ETHICS INFRASTRUCTURE IN PUBLIC SECTOR

Legal framework

Civil Servants
Act

Civil Servants'
Code of
Ethics

Other rules and
regulation related
to ethical
principles'
implementation:
Code of Ethics of
Certified State
Auditors

Institutional framework

Ministry of
Administration –
Service for
Ethics and
Ethical Values
System

Ethics
Committee

Ethics
Commissioner

Why Ethics Commissioner?

- **prescribed by the Civil Servants' Code of Ethics** → for all public sector bodies
- **purpose:**
 - to increase accountability of civil servants in ethical principles' implementation
 - to promote ethical behaviour in mutual relations between civil servants within institution, as well as in relations between civil servants and the public (citizens)

Ethics Commissioner - appointment and qualifications

- Appointed by the Head of Institution, out of civil servants (not fined for violation of official duties) → in SAO: AG, 2011
- Decision on the appointment – shall be submitted to the Central Body in charge of civil servants' affairs (Ministry of Admin.) within 15 days
- Possible to appoint more than one E. Commissioner and to appoint Deputy Ethics Commissioner
- E. Commissioner shall complete training programme in Ministry of Admin. (1 day; theoretical + practical part)



Ethics Commissioner - role

- **Collects complaints** from civil servants (auditors and other SAO employees), citizens and other legal persons (auditees), on unethical behaviour and misconduct of institution's employees
 - in **written or oral** form,
 - by **free phone line**,
 - by **e-mail**.
- **Keeps records** on collected complaints
- Conducts proceeding of **examination of the merit** of complaints.

Examination of the merit of complaint

- within **30 days** of receiving complaint – the Commissioner collects evidence whether indications are true and justifiable
 - prepares **report** for the Head of Institution on conducted procedure, with the **proposal** on taking appropriate measures and activities
 - prepares a **reply to complaint**, to be submitted to the Head of Institution,
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- Head of Institution (AG) shall reply to complaint in **60 days'** term and inform the Complainant on the undertaken actions
 - If the Complainant is not satisfied with Head's of Institution reply, he/she has the right to send complaint to independent **Ethics Committee**, within **30 days**.

Ethics Commissioner - protection

- during examination of merit of complaint, Head of Institution shall **release E. Commissioner** (on his/her request) from performing his/her regular duty.
- in case of unethical behaviour of other civil servants **towards the E. Commissioner**, he can submit a complaint and inform the **Ethics Committee**;
- Ethics Committee shall reply to E. Commissioner within **60 days** and inform the Head of institution about the case.

Ethics Committee:

→ independent body for **promotion** of ethical principles and standards in public sector

→ **tasks:**

- *replies to complaints ...*
- **conducts examination** of merit of complaints
 - ❖ complaints on Ethics Commissioner's behaviour,
 - ❖ complaints on behaviour of Head of Institution (who is civil servant),
 - ❖ complaints of E. Commissioner on unethical behaviour of other employees towards him/her.
- **monitors implementation** of regulation in area of civil servants' behaviour and proposes changes and amendments
- **gives opinion** related to implementation of ethical principles and standards.

Ethics Commissioner - results

- since 2011 – several cases dealt with:
 - misunderstanding between audit team members
 - misunderstanding between SAO's employees and their superiors
- Complaints submitted only to the E. Commissioner; no complaints to Ethics Committee → all cases solved successfully!

Ethics Commissioner - perception

Past and Present:

- all employees familiar with E.C. appointment (name/contact)
- All employees familiar with E.C.'s role and their own rights
- E.C. concept successfully implemented

Future - possibilities:

- E.C. performs regular duties and E.C.'s duties in parallel, which causes:
 - additional burden
 - increased risk of slow solving of complaints.
- Inadequate education of E.C.
 - need for additional and continuous education,
 - need for regular meetings of E.C.s and/or WSs
 - need for development of education model within the institution
- possibility for development / professionalisation of the new function!

Another possibility: ISSAI 30

- **Improvements of ISSAI - possible**

- (1) Clearly define purpose of the Code of Ethics (as a framework for national/SAI Codes of Ethics)
- (2) Clearly systemize values, rules, principles, standards of conduct, threats, implementation, education and checking
- (3) Develop glossary.

- **Development of specific guidelines - possible**

→ possible to elaborate implementation of (2) in auditors' daily work into more detail – through specific guidelines

→ good example: Manual with Code of Ethics for Professional Accountants developed by IESBA - International Ethics Standards Board of Accountants.



Thank you for attention!

Q/A

neda.rogosic@revizija.hr
lidija.pernar@revizija.hr
anita.materljan@revizija.hr