



---

## Memoir

Name of workshop/panel: Integrity/Anticorruption

Date: (day2/day3)

**Moderator:** Helena Abreu Lopes, SAI Portugal (chairing EUROSAI Task Force on Audit & Ethics)

**Panelists:** Jesper Johnson, OECD Public Sector Integrity Division; and a representative of the SAI Ecuador (chairing OLACEFS Working Group on Fight Against Transnational Corruption)

### Abstract

The effectiveness of the fight against corruption affects not only the perception of a given country, but also the development of the national economy.

The topics of the workshop will cover the role and tasks of SAIs in preventing corruption and promoting and disseminating integrity culture in the public sector, considering the new integrity risks caused by the COVID 19 epidemic and the increasing use of digital technologies.

Acting according to public ethical standards is part of good governance. Thus, supporting and assessing the integrity-based management of the public sector falls within the SAI's role. Measuring the prevalence of corruption and the design and effectiveness of protection mechanisms against it is a strong added contribution for effective anti-corruption strategies.

## Identified challenges and risks

**1. SAI's role:** SAIs act in different ways and are not completely aware of the importance and possibilities they can explore in promoting integrity in the public sector.

- Do they need a specific mandate for this role? Are they guardians of good governance or are they only guardians of correct accounts?
- Is promoting integrity-based management different/wider than fighting corruption practices (enforcement perspective)?
- Which approaches are SAIs open/willing to adopt?
  - Conducting raising awareness activities
  - Applying or using outputs of integrity surveys (e.g. SAI Hungary)
  - Auditing ethics as a part of the internal control system (e.g. SAI Turkey)
  - Including integrity modules in the SAI's audits (e.g. SAI of Hungary)
  - Supporting internal audit's role in auditing management of ethics (e.g. SAI Costa Rica)
  - Conducting horizontal audits on how far the public sector is implementing a system to promote ethical conduct (e.g. SAI Croatia, ECA)
  - Auditing specific integrity/corruption related topics (e.g. SAI UK, Israel, Portugal, Spain, etc.)
  - Auditing the national system and strategy to fight corruption
  - Set up a permanent dedicated audit structure to integrity/corruption related topics (e.g. SAI Austria)
  - Launch coordinated studies/audits on the subject
- Are SAIs prepared to act as a model of integrity-based management? The INTOSAI-P 12 requires SAIs to include the requirement to act as a model in addition to putting appropriate responses to new socio-environmental challenges in the public sector. ISSAI 130 requires that they implement a complete ethics control system.

**2. Approaches and methods:** To approach integrity in their audit work, SAIs need to go beyond compliance and to measure cultural dimensions and impacts.

- Have auditors the necessary knowledge and skills?
- Where are the benchmarks and indicators to use?
- How to overcome the alleged subjectivity of ethical concepts and judgements?

**3. New risks:** The health and economic crisis caused by the COVID 19 poses new challenges to all economies around the world, which include integrity and corruption risks, such as those associated with:

- Urgent procedures with less or suppressed controls
- Direct and accelerated procurement
- Deficit or oversupply of public health services
- Equal access to services and support
- Fraud in accessing to public funded support

The COVID 19 epidemic has also accelerated the spread of digital technologies and teleworking. While the introduction of automated systems can significantly reduce corruption risks (by excluding human subjectivity in decision-making) and be an opportunity for audit activities, it raises new challenges:

- Equal access to technology (e.g. technical equipment and conditions to work from home, to access public services or to attend on line classes)
- IT security and cyber crime
- Suitability and capacity of IT systems serving public policies to support individuals and enterprises
- Assess that algorithms and IT systems provide sound solutions to problems

## Opportunities for SAIs

The workshop will provide an opportunity for the participant SAIs to:

- Share good practices in promoting integrity and preventing or fighting corruption
- Become familiar with the experiences and methods used by other SAIs
- Be encouraged to include integrity or anti corruption topics in their audit plan, enhancing their contribution to promote ethical conduct in public sector organisations and to strengthen anticorruption strategies in their countries
- Raise their awareness about international recommendations and guidelines that they can use
- Identify further and value adding cooperation activities on the subject

## Dilemmas and questions – to be explored during the workshop

### 1. SAI's role, approaches and new risks (*discussion*):

- Have the participants' SAIs included an integrity/anti-corruption approach in their activities?
- If yes, please provide a brief example
- If no, state the reasons why
- Have the SAIs undertaken or planned audits related to integrity/corruption risks raised by the COVID-19 pandemic or by the digital transformation? In which topics?

### 2. Methods:

- (*discussion*) Which difficulties would your SAI face if it decides to include an integrity/corruption approach?
- (*presentation*) The OECD recommendation for integrity in the public sector, guidelines and measurement indicators
- (*presentation and discussion*) Methods that can be used by SAIs; guidelines for integrity/anti corruption audits

### 3. Cooperation perspectives

- (*presentations*) The related activities of OLACEFS and EUROSAI
- (*discussion*) Further perspectives for cooperation

Description of the workshop

«STRENGTHEN INTEGRITY IN THE PUBLIC SECTOR AMIDST COVID-19 CRISIS»

STEP	RESPONSIBLE
<ul style="list-style-type: none"> <li>Objectives of the workshop (5 m)</li> </ul>	SAI Portugal
<b>Promoting integrity in the public sector</b>	
<i>Discussion (15 min)</i>	
<ul style="list-style-type: none"> <li>Has your SAI included an integrity/anti-corruption approach in the SAI's activities?</li> <li>If yes, please provide a brief example. If no, why?</li> <li>Has your SAI undertaken or planned audits related to integrity/corruption risks raised by the COVID-19 pandemic or by the digital transformation? In which topics?</li> <li>Which difficulties would you face to do it?</li> </ul>	All participants
<i>Presentation (10 min)</i>	
<ul style="list-style-type: none"> <li>Pillars, guidance and measurement of public sector integrity</li> </ul>	<i>Jesper Johnson, OECD Public Sector Integrity Division</i>
<i>Q&amp;A (5 min)</i>	
<b>Cooperation among SAIs/Regions in the field of promoting integrity and fighting corruption</b>	
<ul style="list-style-type: none"> <li>The activities of the OLACEFS' Working Group on the fight against transnational corruption (10 min)</li> </ul>	SAI Ecuador
<ul style="list-style-type: none"> <li>The activities of the EUROSAI's Task Force on Audit &amp; Ethics (incl. Project Group on Integrity) (5 min)</li> </ul>	SAI Portugal
<ul style="list-style-type: none"> <li>Further ideas for cooperation (10 min)</li> </ul>	All participants

## **Conclusion (incl. pre-requisites for success)**

Trust and confidence in public sector organisations has been deteriorating due to values' breakdowns and failures of regulation and controls. Although the Covid-19 crisis led citizens to rely more on their governments' actions, risks of corrupt practices and interests' driven decisions continue to ask for a focus on integrity-based management. SAIs are in an independent, expert and privileged position to identify and counteract the weaknesses, thus contributing to restore the public confidence.

External audit and SAIs are a key part of the national systems and strategies to promote integrity and fight corruption in the public sector. Through their ordinary audit activities, they contribute to transparency, accountability and effective functioning of control systems in public sector organisations and programmes.

Nevertheless, their preventive role can be enhanced. SAIs could play a more active role in this field by identifying integrity risks, monitoring the design and operation of integrity controls, disseminating integrity culture, measuring the prevalence of corruption and the design and effectiveness of protection mechanisms against it and by addressing useful recommendations for the improvement of the systems. This would fall within their mandate to audit good governance in the public sector and would be a strong added contribution for effective anti-corruption strategies.

According to several INTOSAI standards (see INTOSAI-P 12 and ISSAI 130), SAIs can only be authentic representatives and advocates of transparency, integrity and accountability, if they themselves set a good example in implementing these values, through implementing an ethics control system. The exemplary role of SAIs is key success factor for them to develop accepted integrity related audit activities and is a guarantee of the SAI's reputation and, thus, of strengthening citizens' trust in their key role.