



EUROSAI

Task Force
on Audit & Ethics



HOW TO IMPLEMENT ISSAI 130 – PART II

Ethics Training Model

*Guidance for
Supreme Audit
Institutions*

April 2021

www.eurosai-tfae.tcontas.pt

FOREWORD

The EUROSAI Taskforce on Audit & Ethics (TFA&E) was established in 2011, by decision of the EUROSAI Governing Board, to, among other objectives, share knowledge and develop instruments to support Supreme Audit Institutions (SAIs) in strengthening the ethical conduct within their organisations.

The Working Plan of this team envisaged the preparation of guidance for SAIs, notably in the field of training, since guiding ethical behaviour is one of the powerful tools to promote that members of an audit organisation act according to ethical values and principles, hence safeguarding the quality, reputation and trust in its work.

The TFA&E prepared this **Training Model on Ethics**, including a focus on ethical leadership, as guidance that may inspire and support SAIs when delivering ethics training. Ethics has a strong cultural dimension and, so, a SAI must consider its own environment specificities and risks when adjusting these guidelines to its particular reality.

The document was prepared by the TFA&E following discussions and workshops, where many SAIs' participants could contribute with their concerns, expectations and opinions on this topic. Meetings of the TFA&E with several SAIs' staff, a workshop dedicated to ethics training held during the X EUROSAI Congress, in Istanbul, multiple examples of concrete training initiatives and a reflection on the lessons learnt from those cases provided valuable inputs to this project.

The successful result of this work was only achieved due to the commitment of the Serbian State Audit Institution, that took responsibility for this task and led the work ahead. A word of gratitude is, therefore, due to our Serbian colleagues.

I trust that this guidance will be useful for EUROSAI member SAIs and all the public audit community.

The Chair of the TFA&E



José Tavares

President of *Tribunal de Contas*



Helena Abreu Lopes

Member of *Tribunal de Contas*

QUALITY AND TRANSPARENCY STATEMENT

This is to certify that the TFA&E Guidance on Ethics Training has been developed by following the *Quality and Transparency* process stated in the “**QUALITY AND TRANSPARENCY PROTOCOL FOR EUROSAI PRODUCTS AND DOCUMENTS**”, as detailed below:

i. Representation of the membership of the TFA&E elaborating and approving the guide:

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The guide was prepared by the task group and approved by mutual agreement of all the TFA&E members. The membership of the TFA&E is open to all EUROSAI members.

ii. External stakeholders' contribution

SAIs of Ecuador and United Arab Emirates, IDI and OECD representatives attended meetings where the subject was discussed and provided comments during discussions.

iii. Working Plan

The TFA&E «*Ethics Training Model*» was included in the TFA&E Working Plans, as approved by the EUROSAI Congress.

iv. Openness and transparency

The TFA&E «*Ethics Training Model*» draft was submitted for discussion and approval to all TFA&E members, after a largely participated process, which included workshops with other SAIs and their staff. It will be sent to all EUROSAI SAIs, under the Congress procedures. It will then be made available to the SAIs' community and external stakeholders on the EUROSAI website (database of products) and on the TFA&E website.

v. Work method and exposure to comments

The TFA&E «*Ethics Training Model*» was drafted in several steps. A task group, comprising TFA&E members who volunteered for the task, took the responsibility to write the draft. But the text evolved over time, incorporating the results of several discussions, workshops and exchanges of experiences. Intermediate drafts were discussed in the VIIIth and Xth TFA&E meetings,

workshops on ethics training were conducted in the X EUROSAI Congress and in several meetings of the TFA&E with SAI's staff and workshops and seminars organised provided valuable lessons learnt. The final draft was circulated to all TFA&E members in advance and was approved in the XI TFA&E meeting. Comments and suggestions were considered and incorporated at all stages of the process.

23 March 2021,

The Chair of the EUROSAI TFA&E,



Helena Abreu Lopes
Member of Tribunal de Contas, Portugal

HOW TO IMPLEMENT ISSAI 130 – PART II

Ethics Training Model

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Background

Ethics education helps individuals to develop and maintain a personal ethical behaviour, in accordance with ethical values. As a part of this wider education, to introduce ethics in the daily work of auditors and other staff, Supreme Audit Institutions (SAIs) need to offer a training that helps them:

- In developing their capacity to reflect on their behaviour in terms of ethics; and
- To implement ethical values (described in codes) as their own.

§ 12 (b) of ISSAI 130 – *INTOSAI Code of Ethics* declares that «*The SAI shall emphasise the importance of ethics and promote an ethical culture in the organisation*» and § 19 mentions that «*Clear communication is necessary to increase staff’s awareness and understanding of the code of ethics. This can include **educating staff on promoting the SAI’s values and addressing ethical dilemmas, by offering workshops and training, leadership engagement, and disseminating ethics topics and good practices***”

The working Plan of the TFA&E envisaged the drafting of a **Training Model on Ethics**, aiming at supporting SAIs to deal with this important requirement.

The guidance offered in this document is meant to inspire and support SAIs when organising their ethics training initiatives and might, as well, be useful for other public sector organisations. Ethical values and principles should be implemented according to the specific vulnerabilities and risks that arise in each environment and context. Therefore, ethics training should be designed considering those specificities and SAIs should adjust the included guidelines to their own needs.

The guidance considers:

- The ISSAI 130 values, requirements and guidance;
- Possible strategies and approaches for the training activities;
- The main objectives to address in the ethics training;
- Possible content to be delivered, as a source of inspiration for trainers (who, of course, will have to draft contents considering the specific context of the SAI).

“Laws make little room for change, and much room for interpretation”
(Aristotle)

Introduction

Public sector employees are expected to act ethically when delivering public services. While ethical conduct is their responsibility, guidance should also be provided to them, notably on clarifying the expectations of the institutions, stakeholders and society towards their expected behaviour.

In this context, ethics and integrity training is a right of all public sector employees. The United Nations Convention Against Corruption (UNCAC) highlights this in its article 7, Public Sector (part on education).

“Each State Party shall, where appropriate and in accordance with the fundamental principles of its legal system, endeavor to adopt, maintain and strengthen systems that promote education and training programmes to enable them to meet the requirements for the correct, honorable and proper performance of public functions and that provide them with specialized and appropriate training to enhance their awareness of the risks of corruption inherent in the performance of their functions. Such programmes may make reference to codes or standards of conduct in applicable areas.”

It is also commonly accepted in academic circles that ethics training programs should be among the key tools for human resources management in the public administration.

Ethics training courses empower employees by making them familiar with the use of practical instruments and tools that are necessary for ethical management in risk situations. This is mainly important when the laws tell them what they must not do, but do not tell them clearly what they need to do and what they can be led by in making their decisions so as to be sure that they are acting in line with public interest.

Laws cannot fully cover, regulate and define precisely all possible situations that happen in the daily work. Often they define the minimum standards and frameworks of conduct and that’s why laws are considered to be just the basis, not the „ceiling“ of our conduct (or, in other words, an ethical minimum). Aristotle’s saying that „laws make little room for change, and much room for interpretation“ warns us of the significance of making space

Making ethical values visible in practice

to raise the upper limit of responsible conduct - „the ceiling“. For that, we should consider possibilities for adopting practices that, not only implement the letter of the law, but look for fully safeguarding principles of good governance and protection of public interest.

Ethical guidance, by considering the ethical aspects of issues that employees face in real life situations, empowers them to better manage situations of “grey zones”, which are not recognised by the law, or are not adequately treated by the law, in order to protect public interest and preserve public trust in institutions.

It also happens that certain decisions, while they may fall within the letter of law, may be contrary to the ethical values and principles or perceived by citizens as such. Additionally, the law may allow more than one possible decision and the individual may face what is called an “ethical dilemma”.

Objectives

This document aims at supporting SAIs in their activities of raising awareness by education and training on ethics, thus contributing to:

- Raising awareness on ethics at all levels of SAIs’ staff
- Emphasising the importance of personal ethics and professional integrity as the basis for winning and preserving the trust in the public institutions;
- Understanding the values and principles of the ethical documents, mainly the ISSAI 130 and the Codes of Ethics and/ or Conduct of each SAI, and making them visible in the working context;
- Improving ethical competences and facilitating the process of developing skills needed for reasoning, making and enforcing ethical decisions;
- „Ethical socialising“, by building and strengthening anti-corruption positions – creating a negative perception of corruption and other ethically contentious situations in the work environment; increasing ethical sensitivity to recognise moral expectations of citizens and ethical aspects of problematic situations in practice.

This document is intended to all, including those who developed it.

It is a result of a compilation of materials from different sources, including good practices of European SAIs. To prepare it, the TFA&E also undertook several discussions and workshops, where many SAIs' participants could contribute with their concerns, expectations and opinions on this topic. Meetings with several SAIs' staff, workshops dedicated to ethics training and various examples of concrete training initiatives allowed a reflection on the lessons learnt from those cases and provided valuable inputs to this project.

The Guidance provides an overview of key areas, which the SAI should take into consideration in its efforts to successfully raise awareness and educate its staff in ethical conduct. It puts emphasis on the role of strategic consideration and planning, organisational culture and ethical support to auditors.

Its main purpose is to support SAIs in their efforts of building and maintaining a strong training strategy and practice regarding ethical issues. But it has also been developed in order to offer concrete suggestions to trainers and moderators, helping them to provide successful training in the field of ethics and integrity to auditors and other staff in their specific working environment.

Considering these objectives, the guideline addresses:

- Ethics training strategies;
- Ethics training approaches;
- The design of an ethics training course; and
- Possible content to explore in the training course.

The strategy, methodology and contents have been selected on the basis of SAI's experiences. Therefore, the guidance may be useful for any country, although adjustments to local context are strongly advised.

Section A – Ethics training strategies

Practically, all OECD members States develop ethics training programs for the public sector. In some countries, it is mandatory to attend those programs, while in others attendance is voluntary. The obligation may also depend on years of service (e.g. may be mandatory for interns) or on specific requirements for certain parts of the public administration where managing situations of „grey zones“ (not sufficiently covered by the law) seems more important (e.g. jobs implying a high risk of corruption) .

SAIs' work involves different groups of staff:

- Top management (Presidents, Members of collegiate decision bodies, Director or Secretary –General and their Deputies)
- Middle management (Audit Directors, Audit Managers, Team Leaders as well as Management Directors)
- Audit staff
- Supporting staff (administrative, financial, IT and other staff)
- Newly recruited staff

Although ethics training should cover all staff, the different staff groups and the diverse functions they perform in the organisation represent different ethical risks and, therefore, different ethics training needs.

The specific needs of special staff, such as ethical advisors, should also be considered.

Ethics training strategies and initiatives should be designed according to generally applicable standards for training activities, as regards goals, learning objectives, methods and evaluation. In this context, training for ethics trainers and/or facilitators should be considered, covering how to identify training needs, how to develop and design training courses, how to deliver and evaluate training, etc.

This guideline deals only with specificities related to the ethics subject.

Considering those specificities, when designing a training strategy for ethical issues, the SAI should consider the following aspects.

Aim at influencing behaviour

- **Decide on the training needs to be addressed, on its mandatory or voluntary nature and on its frequency, according to the identified risks for the different groups of staff.**

All training activities should be selected and designed according to identified needs and objectives.

Ethics training should follow an assessment of vulnerabilities and risks that staff face, at their specific levels, which then will be used to target the activities.

IntoSAINT is a good instrument to identify the areas to work in and is also a relevant training tool.

SAIs must also consider the benefits of using symbolic and striking events to remind ethical commitments, such as an Integrity Day, an Integrity Lunch or Integrity Breakfasts, or keeping ethics alive through discussion forums, which could be held in *Intranets*.

The TFA&E recommends

- ✓ Mandatory training for newly recruited staff
- ✓ Mandatory training on a regular basis for middle and top managers (e.g. every two years)
- ✓ Mandatory training for ethical advisors
- ✓ Voluntary training for all other staff, unless the situation justifies otherwise
- ✓ Establish a regular forum (e.g. one day every year) or symbolic events for the discussion of ethical issues

- **Design the objectives of each training with the goal of influencing behaviour**

Ethics training should not be a mere listing and explanation of applicable rules and standards. The objective is to develop the staff's skills for them to be more ready and capable to recognise and manage ethically risky situations.

For that, the design of the training initiatives should consider the main integrity risks identified for each group of staff and the role they play in the delivery of the institutional mission. The training should address those specificities.

Mixing theoretical and behavioural approaches

Addressing different needs differently

Follow the golden rule of every training design by grounding it in this basic objective: «After this event/initiative the trainee will be more able to recognise the general and specific ethical risks of her/his own functions and decisions and more able to act in the best possible manner to minimise them»

Like in every training activity, the ethics training goals and objectives are a criteria to evaluate the training strategy. We should identify how to assess whether those goals and objectives were achieved, how effective the training activity was and learn lessons on how they can be further developed. Pre-course and post-course evaluation sheets or assessment questions could be used as training evaluation tools as regards awareness, but, since we are aiming at changing behaviour rather than simply enhancing knowledge, we must be aware how this assessment can be limited. Training evaluation in ethics is really a challenge and one must adapt to that and keep focus on the actual goal and the best possible ways to meet it.

The TFA&E recommends

For the **mandatory training of newly recruited staff:**

- Adopt a well-balanced programme including theoretical and practical subjects.
- Include reasoning and inspiration towards the institution's values and principles, analysis of the applicable standards, explanation of concepts and approach to practical situations as a preparation for the actual problems they will face.
- Strengthen the skills of individuals to behave with integrity in problematic working situations
- Inform on the available channels to raise ethical concerns

For the **periodic training of top and middle management:**

- Focus on ISSAI 130 and other applicable rules and standards, notably the SAI's Code of Ethics
- Work on the pro-active institution's responsibilities to build an ethics control system and its several components
- Clarify and discuss the role of the top and middle management in the ethics control system and the do's and don'ts of their leadership conduct
- Develop management and communication skills, empowering managers with the needed capabilities to inspire their teams, to lead by example and to identify and solve difficult situations
- Promote a discussion on daily problematic situations, identifying the steps and guidance to address them

Involving staff

For the **(voluntary) training** of audit or supporting staff, establish a training course/event that allows participants to:

- Be acquainted and reminded on the contents and meaning of ISSAI 130 requirements and other applicable rules and standards, notably the SAI's Code of Ethics
- Express and discuss, freely and in a participative way, real life difficult ethical situations and dilemmas and what to do about them
- Focus on the specific risks and vulnerabilities of their actual functions and responsibilities

For the **mandatory training** of ethical advisors:

- Explore extensively the contents and meaning of ISSAI 130 requirements and other applicable rules and standards, notably the SAI's Code of Ethics
- Define the role of the ethics advisor in the context of the SAI's ethics control system
- Establish very clearly the rules and procedures to be followed in complaint, whistleblowing and misconduct cases
- Clarify confidentiality and disclosure clauses
- Develop communication and strategic skills to act pro-actively next to leadership and staff, in order to influence them to be informed and comfortable in addressing ethics issues between themselves
- Enhance open door, listening, reasoning, advising and decision skills to deal with difficult questions and situations
- Identify the most probable ethical risks and difficult ethical situations and dilemmas and what to advice about them
- Share experiences and lessons learnt between advisors


For **Forums on Ethical issues**:

- Focus on behaviour, by means of a completely interactive session, addressing practical problems and dilemmas and ways to deal with them.

➤ Consider using the preparation/review of ethics guidance as a training activity

The primary objective of ethics training is that the individual internalises the SAI's ethical values and principles and acts upon them in her/his daily conduct.

Drafting standards or preparing guidance on those ethical values and principles is the most effective way of internalising them. Staff will reflect on problems, help to choose the best approach to give



guidance on them and, in the end, will have internalised them, accepted them as their own and will feel as a part of the process.

SAIs that chose to prepare or review ethical codes or guidance using workshops and discussion events with staff indicate that the process was, in itself, a very effective training activity and a facilitator of the acceptance and internalisation of the chosen principles.

As a sum-up, we can mention that an *Ethics Education Maturity Model*¹ considers an ethics training strategy to be advanced and effective when:

- *Ethical values and standards are communicated to employees*: managers throughout the institution discuss ethics with their staff in meetings and performance reviews;
- *Ethics risks and education needs are assessed*: institution-wide risks and needs are regularly and formally assessed and incorporated into education planning;
- *Content and method of education are tailored*: managers assist in planning the content, format and timing, based upon risk; and
- *Education is evaluated for effectiveness*: ethics education's effectiveness in mitigating and reducing ethical risk is evaluated.

¹ See https://www.oge.gov/web/OGE.nsf/ethicsofficials_education-through-training?OpenForm

Use examples that are meaningful for the staff

Use interactive and involvement approaches and multimedia materials

Section B - Ethics training approaches

While a compliance approach to ethics is solely concerned with rules, an integrity approach concerns with internalising also principles and values. In this perspective, ethics training activities aim that the trainees achieve intellectual understanding and ownership of the ethical principles, but, moreover, that they translate them into action. To achieve this type of training goals and objectives it is important to use the right methods.

➤ Put training in context

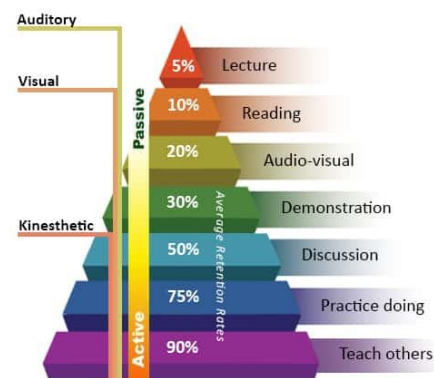
Ethics training will be more effective if it relates with the actual professional situations that individuals experience. Therefore, It is recommended to adapt content to the specificities of the SAI at stake, adding examples from your specific country and institution and adjusting resources to ensure that it is relevant for your specific context.

The TFA&E recommends

- Compare ISSAI 130 values, requirements and guidance with the SAI's standards and with the actual practices in the SAI
- Use concrete examples of ethical dilemmas taken from the daily work of managers, auditors and other SAI's staff

➤ Use the right language and involvement

According to the learning pyramid, you absorb 10% of what you read, 20% of what you listen, 30% of what you watch, 50% of what you discuss, 75% of what you do and 90% of what you teach.



Adapted from the NTL Institute of Applied Behavioral Science Learning Pyramid

Participants in the TFA&E workshops and discussions insisted that ethics training activities should not be delivered by lectures. Workshops in which people can freely speak about their ethical doubts and dilemmas, use of real life situations, a “learning by doing” approach, scenarios, role-plays, “shocking” and “striking” messages and videos were strongly mentioned.

On the same line, participants need to be kept involved as regards achievement of learning objectives. Exercises, quizzes and learning evaluation tools should be used.

It is strongly advisable to invite participants to deliver part of the training content and to use role-play or drama techniques.

Chinese say that "*Hearing something a hundred times isn't better than seeing it once*" and Watts' declared "*One showing is worth a hundred sayings*". Using visuals and multimedia materials in your language will be a valuable addition to proposed activities.

The TFA&E launched a video competition "*Ethics Matters*", where SAI's staff was invited to produce short videos about ethical issues and the ISSAI 130 implementation. The submitted videos are included in the TFA&E website² and can be used in SAI's ethics training activities. Moreover, they are a training activity in itself and SAIs may wish to invite their employees to prepare videos themselves, in their own language and context.



The potential of visual materials can also be used outside the typical training activities. Displayed ads, leaflets or brochures, posters, banners, etc. can leave positive messages to our brains. Thus, SAIs could use these types of tools in workplaces and profit from their positive effects in raising awareness and internalising values and principles. SAIs could, for instance, use objects including references to values or have screens with ethical messages to be displayed when office computers are started.

² <http://www.eurosai-tfae.tcontas.pt/default.aspx>

Take time

**We jointly learn
through dialogue**

➤ **Consider duration of training**

In order to prevent the time limitations from becoming a factor that impacts negatively in the willingness and the organisational capacity to involve employees in ethics training, modules and activities may be shortened and focused (time frames indicated in Section C are meant as the minimum time for the given activity as regards the described content).

We observed in SAI's ethics training experiences (see Annex 1) a trend to prefer short sessions. For instance, the Austrian Court of Audit surveyed the staff on this subject and the results indicated that presentations of about 30 minutes, with small "bites of information" but on a regular basis, received broad acceptance. Format for integrity training of 60 to 90 minutes events or half-day seminars were also considered good.

If that is the preference, a careful consideration must be made concerning the topics to cover. One single topic, concise and focused, should be chosen, using «microlearning» options to deliver a specific type of information, just in time and where it is needed.

In fact, ethics messages are simple and probably short.

However, for the ethics messages to be internalised, it may often be desirable to make time available for certain topics, so as to allow mutual learning and longer discussions among participants over concrete subjects and examples that are meaningful to them.

➤ **Involve leadership**

The most important element of ethics management is leadership. Within the role of top management, putting ethics as a priority, permanently emphasising it and leading by example are key. Involving top and middle managers in valuing, designing and delivering training and in participating in discussions and receiving feedback is considered as very important by staff and an important element for the ethics training effectiveness.

If leadership is not behind ethics trainings for employees, they may be sending the message that ethics is not very important.

E-learning is a possibility but does not allow proper discussions on ethics problems

➤ Profit from e-learning approaches

Organisations are more and more committed to use e-learning approaches to facilitate access to training and adopt cost-efficient solutions. Several SAIs have done so also in ethics training, sometimes in cooperation with the government and other public sector organisations.

The covid-19 pandemic and the social confinement and isolation adopted to contain the disease led to a strong preference and use of e-learning solutions.

Participants seem to like e-learning or audiovisual media (see Austrian survey, mentioned in Annex 2).

One should consider that the objectives of an *on line* course about ethics and integrity would be to impress, to introduce the key principles and values that guide the work of SAI's staff or to help them recognise situations in which ethical evaluation is needed and identify the right course of action. This could be valuable to inform and open the mind of staff.

Nevertheless, even when using *on line* meetings, videoconferencing tools and techniques that may make them more lively³, it will be difficult that an *on line* course will allow good discussions and the interactivity conducive to an optimal learning process and the due internalisation of ethical principles for behaviour.

A combination of approaches would be a good solution. Supplementing online activities with in-person conversations provides variety and interactions to clarify often difficult situations.

³ E.g. <https://miro.com/blog/engaging-remote-meetings/>, <https://blog.pigeonholelive.com/10-realistic-ways-to-make-your-virtual-meetings-more-interactive>, <https://hookedoninnovation.com/2020/05/13/25-strategies-to-engage-zoom/>

The TFA&E recommends

- Applying a strong interactive approach in the ethics training activities, using well known approaches such as the World Café, games, role-plays and others
- Exchanging ideas and experiences: we jointly learn through dialogue and we support each other
- Involving top management as much as possible, albeit leaving enough room for employees to feel free to express their opinions among colleagues
- Combine approaches to best fit learning objectives, effectiveness of training, preferences of staff and available tools

Section C – Designing an ethics training course

In this section, the guide suggests the structure for a generic ethics training course, organised in modules.

Although it was designed as a menu from which it is possible to select only a number of modules and reorganise and adjust them to each SAI's needs (skipping or enlarging them as needed), the SAI must keep in mind that the modules described cover the several main aspects to consider.

Training for an integrity approach to ethics seeks, not only to disseminate knowledge of applicable norms, but also to develop internalisation of principles and understanding and judgement in order to act in an ethical manner.

In this perspective, training courses on ethics for SAIs should be designed to:

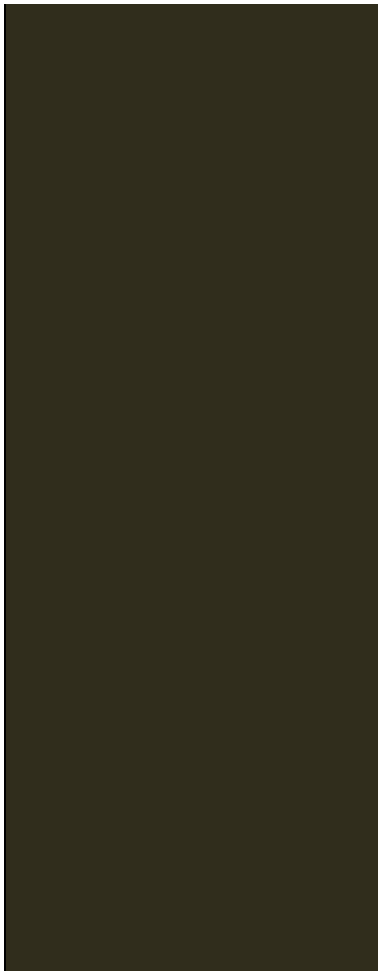
- Promote knowledge and understanding of applicable ethical values and standards
- Develop awareness of ethical risks and problems
- Enhance individuals' decision making capacities to solve those problems
- Cultivate an attitude of personal responsibility for behaving consistently with the ethical values, principles and responsibilities of the institution
- Understand ambiguity and differences of opinion, while building a consistent conduct that meets stakeholders' expectations
- Develop ethical leadership, where applicable

These training programs focus on the individual's conduct, on the organisation's responsibilities and on the society's and citizens' expectations.

Therefore, ethics training in SAIs should consider covering several types of topics. These topics, organised by specific ethics related issues, implicitly include the development and use of management and communication skills, the definition of roles and responsibilities, risk analysis approach and team building.

Specific ethics topics to be covered include:

- **Understanding ethics** (providing a theoretical background);
- **Ethics and integrity as the basis for good governance and control environment** (putting it into context);



- **SAIs’ ethics control system** (looking into the formal and informal organisation);
- **Code of Ethics for SAIs** (liaising expectations and action);
- **Ethical dilemmas** (highlighting the importance of decision-making in the ethical culture); and
- **Monitoring and assessment tools** (emphasising implementation and learning).

These topics do not need to cover all aspects that can be explored and detailed about ethics, but only those which are considered to be directly relevant for SAI’s management, auditors and other staff.

The table below describes the main features of the modules.

Concrete examples of ethics or integrity training courses developed by SAIs are included in **Annex 1**.

Title of the module		Minimum indicative duration	Training goal	Training objectives <i>“By the end of this module the participants shall be able to:”</i>	Description
①	Understanding Ethics	60’	Enable participants to reach a common understanding of ethics and ethical principles for managing public services	<ol style="list-style-type: none"> 1. Understand what ethics is 2. Make links between ethics and the related terms 3. Identify the components of organisational ethics in public organisations 	This introductory module is aimed at clarifying the general concept of ethics, for individuals and organisation. The participants shall consider different definitions of ethics in order to be able to identify its key components. Afterwards, they will define the terms often related to ethics, as moral and deontology, for instance. Finally, they will consider the components of organisational ethics for managing public services.
②	Ethics and integrity as the basis for good governance and control environment	60’	Enable participants to understand that ethics and ethics management are at the heart of internal control for good governance, are the basis of SAI’s	<ol style="list-style-type: none"> 1. Explain why building ethics is essential for internal control and accountability and for the audit institutions in particular 2. Explain how internal control and 	This module is about mechanisms aimed at ensuring that audit operates as it should in line with its competences. This module aims to clarify, in a non-conflicting manner, the roles and functioning of those mechanisms, and to emphasise that they

Title of the module		Minimum indicative duration	Training goal	Training objectives <i>"By the end of this module the participants shall be able to:"</i>	Description
			accountability and are key for meeting societal values and expectations of citizens	accountability are an essential part of building ethics 3. Explore the SAI's role and accountability mechanisms, societal values and expectations of citizens 4. Understand the mission, purpose and functioning of internal control and control environment	contribute to preserving ethics of individuals, as well as to preserving organisational ethics. It also explores how ethics of SAIs is a benefit to society and key to its accountability.
③	SAIs' Ethics Control System	90'	Give participants an opportunity to clarify the components of an Ethics Control System, as required by ISSAI 130.	1. Understand the ethical culture and its characteristics 2. Recognise levels of ethical culture 3. Explain benefits of ethical infrastructure for the quality of organisation 4. Understand the several components and requirements for the ethics control system	This module puts emphasis on reasons why ethics is key for the organisational management. This is achieved by discussions and exercises regarding the position and function of ethics in an organisation, its key elements. It also explores the main institutional requirements described in ISSAI 130.
④	Code of Ethics (for SAIs)	90'	Discuss and internalise the SAI's ethical values and principles, as well as expected behaviours, focusing in those applicable to the group of staff included in the training ⁴	1. State and explain key values that management, audit or supporting staff need to follow, according to ISSAI 130 and SAI's standards 2. Understand the key reasons why they are significant for individuals and for the SAI 3. Recognise those attitudes which have a negative impact on ethical conduct and SAI's reputation and credibility 4. Identify and accept the set of expected ethical behaviours for his/her professional performance	The key focus of this module is on identification and internalisation of key values which are at the heart of the manager, auditor or supporting staff's ethics. For this module, we also recommend activities on how attitudes impact ethics and benefits of ethics for the staff and SAI's credibility. This module should be used to disseminate ISSAI 130 and the concrete SAI's ethical standards. It could also be used as a participative process to prepare a SAI's code of ethics. In this case, it may need much more time.
	Ethical		Practical approach to ways of identifying and	1. Understand what is an ethical dilemma 2. Identify the main ethical risks, dilemmas and traps	This module starts by defining what is an ethical dilemma (see concepts explained in the guidelines for implementing ISSAI 130).

⁴ While for audit staff the focus should be on audit related values and principles, such as independence, objectivity, competence, etc., for supporting staff the focus may be on confidentiality, data protection, relationships, integrity in procurement or HR management, balance between professional and personal behaviour, etc.

Title of the module		Minimum indicative duration	Training goal	Training objectives <i>"By the end of this module the participants shall be able to:"</i>	Description
⑤	dilemmas	60'	solving ethical dilemmas	<p>that may arise during the professional performance</p> <ol style="list-style-type: none"> 3. Know what to do in face of difficult situations and how to solve the main ethical dilemmas 4. Decision trees to help decision making 	It should then use typical examples of ethical dilemmas faced by the concerned group of staff to generate discussions. The identification of those examples may be made by the participants themselves. Participants should discuss the consequences of choices available to them and ways to create better choices. Role-play techniques could be used.
⑥	Monitoring and assessment tools	60'	Help participants to get acquainted to ethics and integrity monitoring and assessment tools, especially the ones prepared for SAIs.	<ol style="list-style-type: none"> 1. Recognise the benefits of monitoring, self-assessment and peer control as tools for improvement 2. Be acquainted with the main available tools and how to apply them 	Participants shall consider channels and tools available to assess integrity, the consequences of in-compliance and its relevance for ethics improvement. This module can be replaced by workshops to apply self-assessment tools (such as IntoSAINT) or to communicate results of controls.

Section D – Delivering the ethics training modules

This Section deals with the possible content for the modules described in the previous Section. Annexes 1 to 5 complement this approach, as a source of inspiration for trainers and moderators.

Module 1 – Understanding Ethics

A theoretical background should be established in order for participants to know what are we talking about.

Understanding the basic concepts will help trainees to capture the reasoning behind ethical frameworks declaring the ethical principles for managing public services and for the public auditing of those services. Depending on the time available and on the preferred approach, trainers may opt for exploring the philosophical concepts and/or the practical approaches used nowadays, for instance, by international conventions, standards or recommendations. United Nations, OECD, Council of Europe and INTOSAI are some of the sources for these concepts.

The module should explain the concepts of ethics, morals, deontology, integrity, corruption, ethical values, ethical principles, integrity and corruption risks, integrity controls, conflicts of values, ethical dilemmas, etc. It should also explore their similarities and differences.

Examples:

The word **Ethics** originates from Old Greek and has a number of meanings. In Old Greek the word *ethos* means *habitat, habit*, while the adjective derived from it refers to *behaviour*. This suggests that in the past, in ancient Greece, ethics studied different forms of **conduct and habits**. When the old Roman philosophers tried to translate the word **ethike** into Latin, they attached to it the meaning of habits and thus the origins of the word **moral**, which we still use today.

Ethical Values & Principles

Moral: What we should do towards the right move; related with the principles of right and wrong behaviour

Deontology: The word deontology derives from the Greek words for duty (*deon*) and science (or study) of (*logos*). In contemporary moral philosophy, deontology is one of those kinds of normative theories regarding which choices are morally required, forbidden, or permitted. It relates to one profession.

Ethical values are the concepts of what is important and therefore should drive SAIs and SAIs' staff decisions.

Ethical principles guide how these values should be carried out in practice and, therefore, what should be appropriate behaviour

(ISSAI 130 §8)

Integrity means the practice, the actions performed in accordance with good behaviour determined by ethics and moral

In philosophy, **Ethical dilemmas** are situations in which an agent stands under two (or more) conflicting moral requirements, none of which overrides the other. A closely related definition characterises ethical dilemmas as situations in which every available choice is wrong. The term is also used in a wider sense in everyday language to refer to ethical conflicts that may be resolvable. These situations usually imply that a difficult choice must be made.

Concepts for risks, vulnerabilities, safeguards and controls can be looked for, e.g., in ISSAI 130, in the COSO framework⁵ or in *IntoSAINT*. The integrity approach used by the SAI of Hungary also provides a good conceptual background for integrity risks and controls.

Module 2 – Ethics and Integrity as a basis for Good Governance and Control Environment

This module intends to provide context for approaching ethics in the SAI.

It should explain why building ethics is essential for internal control and accountability and for the audit institutions in particular.

Ethics and ethical behaviour of public sector entities and their officials are fundamental for citizens to trust them. Robust ethics in the public

⁵ <https://www.coso.org/Pages/default.aspx>. See also Annex 2.

SAIs' accountability

Internal Control

Control Environment

sector is an important counterbalance to fraud and corruption. Ethics has also significant influence on the successful achievement of goals, missions and vision of public sector organisations, necessarily driven by public interest. Ethics is a required part of the good governance and performance of public sector organisations.

The course should explore the SAI's role and accountability mechanisms, societal values and expectations of citizens. In fact, SAIs are held to high expectations and must earn the trust of stakeholders (citizens, legislative, and executive bodies, auditees and others). They need to act as model organisations and inspire confidence and credibility. Ethical behaviour is a key component in establishing and sustaining the needed trust and reputation. A code of ethics and an ethics control system, as required by ISSAI 130, provides SAIs, and the staff working for them, with a set of values, principles, systems and culture on which they can base their behaviour.

Module 2 should explain the mission, purpose and functioning of internal control and control environment, highlighting how ethics is an integral part of them (see Annex 2). It should also highlight how the ethics control system may be a part of the internal control system.

Control environment is the set of standards, processes, and structures that provide the basis for carrying out internal control across the organisation. The control environment, which has a pervasive impact on the overall system of internal control, comprises, among other elements, the integrity and ethical values of the organisation. The principle requires that the organisation demonstrates a commitment to integrity and ethical values. The most important component of the control environment is the **tone at the top**. It sets an organisation's guiding values and ethical climate. Properly fed and nurtured, it is the foundation upon which the culture of an organisation is built. Ultimately, it holds an organisation together.

The module can also explore how the environment of public sector auditing often differs from that of the private sector and how far that is related to the applicable ethical principles described in ISSAI 130.

Module 3 –SAI's Ethics Control System

This module is meant to clarify the components of an ethics control system, as required by ISSAI 130 (INTOSAI Code of Ethics). §12 e) of this Code requires that SAIs implement an **ethics control system** to identify and analyse ethical risks, to mitigate them, to support ethical behaviour and to address any breach of ethical values.

Implementing an Ethics Control System

Hard and soft controls

The §13 explains that the ethics control system includes appropriate specific strategies, policies and procedures to guide, manage and control ethical behaviour. This system can be designed as a separate set of controls or integrated within the SAI's overall internal control system (see Annex 2).

§14 of ISSAI 130 describes the main components of the ethics control system, which are:

- Code of ethics
- Leadership and tone at the top
- Ethics guidance
- Ethics management; and
- Ethics monitoring

The following paragraphs of ISSAI 130 and the TFA&E guidelines on *How to Implement ISSAI (1)30* explain the fundamentals of each one of those components and the strategies and examples on how to implement this system.

Module 3 should highlight the institutional perspective introduced in ISSAI 130. According to this perspective, ethics and integrity are no longer the sole responsibility of the individual, who makes the choices and acts. The SAI has the obligation to build a system and an environment that stimulate the individual to behave in accordance with the values and principles.

There are two ways of achieving ethical behaviour, both needed: following rules and moral conscious behaviour. Hard controls and soft controls can be used to enhance following rules and moral. There are five hard and soft controls that have shown to be contributing to following rules and moral conscious behaviour:

- Organisational policy on integrity
- Tone at the top
- Values and norms
- Fairness of treatment
- Relationships among colleagues

Hard controls include rules, procedures and structures. They are formal, objective and quantitatively measurable. Setting values and norms is an important instrument for strengthening the integrity of an organisation. Acting with integrity is not just the responsibility of each individual employee, but also of the organisation as a whole. The organisation is responsible for providing a safe working environment in which employees are protected as far as possible from integrity risks.

**Ethical culture:
common values,
norms and
beliefs**

Soft controls relate to the culture, including tools such as training, awareness raising, role modelling or commitment, which organisations can use to influence and promote ethical behaviour. They tend to be informal, subjective and intangible. Exemplary behaviour by management, fair treatment and good relationships among colleagues are, in fact, an important contribution to the moral awareness of staff. In addition, amicable relations among colleagues and fair treatment help to promote an ethical attitude towards work. This indicates that soft controls represent an essential contribution to staff integrity in the workplace.

One of the key elements to create and maintain a strong ethical framework relates to the institution's culture. The **ethical culture** of institutions consists of all the aspects and elements which have an impact on ethical conduct of staff. It refers to the quality of the working environment, from the perspective of ethical aspects of work that may discourage or encourage ethical conduct. The basis of an ethical culture consists of common values, norms and beliefs on ethics which are embedded in the organisation. This implies the presence of conditions and systems promoting and encouraging ethical conduct. The ethical culture links the moral responsibilities of staff with the moral expectations of the public.

A coherent organisational structure gives the staff the same angle of looking at things, the same principles determining their conduct and the definition of (un)acceptable social norms.

Establishing the following 7 organisational skills curbs occurrence of unethical conduct:

- ◆ Creating clarity
- ◆ Achieving compliance with norms
- ◆ Creating a working atmosphere which ensures support to employees
- ◆ Assessment of feasibility of work tasks
- ◆ Establishing visibility/transparency of behaviour
- ◆ Maintaining dialogue
- ◆ Sanctions

Annex 3 contains details about the ethical culture of organisations and how it can be influenced. The way it can be addressed in the training course is also mentioned.

Leadership and tone at the top are one the main elements of the ethics control system, of the control environment and also of the ethical culture.

Ethical leadership

Tone at the top is a concept that is used to define management's leadership and commitment towards openness, honesty, integrity, and ethical behaviour. The way top or middle managers should act and the responsibilities they should exercise in creating and maintaining ethical systems and an ethical environment should be specially addressed in ethics training targeted at managers.

The tone at the top is set by all levels of management and has a trickle-down effect on all employees. If the tone set by management upholds honesty, integrity and ethics, employees are more likely to uphold those same values. Setting the proper tone starts with managers at all levels leading by example and with integrity. Leaders should demonstrate through their own actions their commitment to honesty, ethical strength, reliability, and fairness. Management cannot act without these qualities and expect others in the organisation to behave differently.

Management must clearly communicate its ethics and values throughout the area they manage. These values could be communicated formally through written codes of conduct and policies, staff meetings, memos, etc. or informally during day to day operations.

Among many others, steps that leaders must take are, for example:

- Rewarding employees who demonstrate honesty and integrity. Doing so will help communicate management's commitment to this behaviour and will encourage others to act in the same fashion. This will promote integrity within the organisation and have a positive influence on others.
- Putting in place organisational controls to mitigate significant integrity threats to the most important values and principles, such as rules and declarations to avoid and monitor conflicts of interests, to regulate gifts and hospitality or to prevent that staff perform outside activities conflicting to the SAI's functions;
- Creating a notification procedure for employees and stakeholders to report on unethical behaviour or suspected violations of applicable rules ("*whistleblowing*"). Employees are specifically responsible to report such situations to management, should be aware of the reporting lines and should feel safe from retaliation.

ISSAI 30 and the TFA&E guidelines on "*How to implement ISSAI (1)30*" describe the main features of an ethical leadership, including a list of do's and don'ts, which may inspire a training exercise specially targeted at management level.

Explaining ISSAI 130

Codes of ethics promote common understanding of ethical principles

IntoSAINT, conducted in a workshop, is a good means of understanding and raising awareness of staff on the different dimensions of the ethics control system and an innovative way of achieving the learning objectives of this module.

Module 4 – Code of Ethics of SAIs

This module should allow the discussion and internalisation of the SAI's ethical values and principles, as well as expected behaviours, in order to induce a common understanding about the principles that determine behaviour.

Ethical values and principles are declared in codes of ethics, codes of conduct or similar documents. They may also be established in laws.

Adopting and implementing a code of ethics consistent with ISSAI 130 and making it public is one of the main requirements for SAIs established in ISSAI 130 (§12 a)). The TFA&E guidelines on "*How to Implement ISSAI (1)30*" include guidance on how to develop and update codes of ethics and how to use them to empower staff.

The course should look into ISSAI 130, as the INTOSAI standard, and into the codes applicable to the concrete SAI, analysing the main requirements and guidance that derive from them.

Codes of ethics have been introduced in order for common values and principles to become explicit and for all employees to be clear on how to translate such values and principles into their conduct. The codes facilitate common understanding of what is the expected ethical behaviour of individuals. Without uniform understanding of what is expected, there is room for individual interpretation of situations, which can lead to misconduct. When employees know what kind of behaviour is expected from them, it is easier that they act accordingly. This function is especially valuable in stress situations and situations when they do not have much time to decide on their actions. In such cases it will help to remind what the code of ethics recommends.

Codes of ethics may also assist us in decision making in face of dubious situations, such as those in which we face a collision between two or more values and when in this interregnum we need to make an adequate decision that should not threaten the perception of citizens regarding the professional role which we deliver (e. g. dress code: freedom versus decency). Therefore, it is an instrument whose implementation can lead to reducing the occurrence of unethical acting in risky business situations.

Using training to prepare or update a Code of Ethics

*"To be or not to
be, that is the
question"*

Hamlet

Training should use the content of the code of ethics or code of conduct as the starting point, detailing and explaining what is expected from staff to comply with it. Even though, it should go beyond that, promoting the understanding of the rationale behind the guidance included in the code and discussions on how its provisions translate into concrete working situations.

A few possibilities of turning this module more attractive to trainees are included in **Annex 4**.

Module 4 should include, as regards expected behaviours, discussions on possible conflicts of interests and ways to avoid and minimise them. This area is one of the most important ones as regards ethical threats and ethical conduct in SAIs, relating to the safeguard of independence and objectivity in audit. Module 3 should have tackled organisational controls to mitigate these threats, such as declarations of interests, declarations on gifts and hospitality and measures to avoid conflicting functions.

If a code of ethics is not in place in the SAI, this training, with a participatory approach, is a very good tool to use in order to get staff adhere and contribute to its preparation, thus ensuring inclusiveness.

This can be done with a previously prepared draft of the code, asking participants to discuss the content, in a free and relaxed atmosphere. Or it can also be prepared without any draft, to collect proposals to be included in a future draft. In the first approach, it is very important that managers with the decision power on the final code are prepared to consider the views of the participants.

This method can also be used to obtain opinions and ideas to update existing codes or to prepare other instruments of the ethics control system (e.g. identifying main problems the staff usually faces and what they need to deal with them).

Module 5 – Ethical Dilemmas

In everyday life, as well as in work, we face different situations that we may consider as a dilemma (e.g. whether to tell a colleague that he/she would be fired, while at the same time not get into trouble with the boss; whether to cheat at a test because the friend sitting next to us whose test we are copying from can be punished as well).

Module 5 is a complement to module 4. While in the previous module trainees would discuss the behaviours that are clearly expected from them, in this one they will identify dubious situations where several

decisions are possible or where a decision may imply choosing between conflicting values.

The first step would be to understand what is an actual ethical dilemma. If we are in face of a situation that is not admissible by a prescriptive or prohibitive rule, we may not be in a dilemma situation but, instead, in the wrong side of the decision (e.g. it is not allowed to cheat in tests, both by rules or by ethical principles).

If participants identify the most common dilemmas that may arise during their professional life, it may be easier to find possible solutions, by discussing them with colleagues and by receiving some guidance for the best solution according to prevailing values (in face of the concrete circumstances).

Ethical dilemmas must be solved by ethical decisions. When considering them, possible thinking traps that could open way for people to bring justification to their possible action should also be identified - e.g. thinking that *«if everyone is doing that, then why not me?»* or *«if I neglect this ethical problem or dilemma, nothing happens to me or nobody knows what happened»*. It is important to use examples to understand that these traps can mislead thinking and that unsolved problems are followed by new ones.

Often, there is no perfect recipe for solving ethical dilemmas, because there might be no right and wrong answers. But, nevertheless, there are certain steps in analysing the problem situation or ethical dilemmas that may help to find the right decision. That is the case of decision-tree models.

In the TFA&E guidelines on *“How to Implement ISSAI (1)30”* you can find:

- A list of examples of common ethical dilemmas in a SAI
- A model for individuals to address ethical dilemmas

The most important aspect is that, in this particular module, the only possible training approach is to allow participants to raise situations and questions and discuss possible solutions, acknowledging that, sometimes, there is not a single answer. They should be given the possible ways to go forward and recommended to ask for advice when those tools are not enough to find a decision.

Module 6 – Monitoring and assessment tools

ISSAI 130 (§22 b)) mentions that “*monitoring controls help the SAI mitigate ethics risks. The SAI may apply the following monitoring controls:*

(...) conducting self-assessment, internal and external reviews that can be used regularly, as monitoring tools, as a way to identify and analyse vulnerabilities and recommend measures for improving ethics management, and/or as a routine to ensure accountability. Evaluations will have to consider that many ethical requirements refer to soft controls, which require the use of specific appropriate assessment methods. Tools available for these assessments include IntoSAINT, peer review guidelines, surveys, interviews and feedback questionnaires”

Annex 5 to this guideline includes a detailed explanation about two assessment tools that can be used either for self or external evaluation of integrity and ethical management in a SAI.

IntoSAINT enables SAIs to assess their vulnerability and resilience to integrity violations and to reach recommendations on how to improve integrity management. It is a self-assessment tool. The organisation itself must take the initiative to test its integrity. The organisation reveals its own weaknesses and the staff make recommendations on how to strengthen resilience.

IntoSAINT experience has so far shown that:

- Structured integrity risk assessment is not common within SAI;
- The need for an integrity policy framework is among the most mentioned recommendations;
- Risks related to the independence of SAIs are an important concern; and
- Recommendations concerning “soft controls” stress the importance of fairness, clarity, communication and leadership.

These lessons learned drawn from SAI’s assessments are a good insight on where to focus the training activities.

The **SAI – PMF (Performance Measurement Framework)** is meant for voluntary assessments of the SAIs’ performance against the ISSAIs and other established international good practices for external public auditing. SAI PMF is a multi-purpose, universal framework, and can be applied in all types of SAIs, regardless of governance structure, mandate, national context and development level. It includes a dimension on Internal Governance and Ethics.

IDI assessment matrix

OECD Public Integrity Maturity Models

TFA&E Ethics Maturity Model for SAIs

Intosai Development Initiative (IDI) supports self-assessments in SAIs regarding implementation of ISSAI 130, based on a methodology and an **assessment matrix developed by IDI**, on the basis of ISSAI 130 requirements. These assessments identified that, in many cases, there are no tools and monitoring systems to follow up on the implementation of codes of ethics or similar frameworks. Lack of ethical guidance (including training) on how to deal with ethical dilemmas/breaches and lack of awareness by stakeholders of the ethical requirements applicable to the SAI were also observed.

The OECD has launched a **Public Integrity Toolkit** to support implementation of its Recommendation on Public Integrity. The OECD tools include, not only the Public Integrity Handbook, but also the **OECD Public Integrity Maturity Models**⁶, allowing a government (national or subnational) or a public sector organisation to assess the elements of their integrity systems, and identify where they are situated in relation to good practice across four categories: nascent, emerging, established and leading. The maturity models can be used by political and executive leadership, government officials, public sector integrity practitioners, business and civil society. The assessment is made according to the elements of the Public Integrity framework, which includes a part for Oversight, pertaining to the SAIs' work. OECD also developed indicators for the assessment of the implementation of the Recommendation.

Finally, the EUROSAI TFA& also prepared an **Ethics Maturity Model for SAIs** (Part III of the guidance on «*How to Implement ISSAI 130*»), meant to be used in their self-assessments and evaluations and to provide SAIs with a vision on how they can progress in ethics management. You can refer to this model by consulting the correspondent TFA&E guidance.

Helpful materials

To deliver the training courses, SAIs, trainers and moderators may seek inspiration in some training materials already developed by others. They can ask them from colleagues and they can also look into available materials in *internet*.

Materials available in the following links may be a good resource:

- https://www.oge.gov/web/OGE.nsf/ethicsofficials_education-through-training?OpenForm (see Interactive and Live Presentations and Education Planning and Evaluation and a video on how to

⁶ <https://www.oecd.org/governance/ethics/public-integrity-maturity-models.htm>

explore the tools⁷)

- https://www.unodc.org/ji/en/judicial_ethics.html (Judicial ethics training tools, including tips for trainers)
- <https://connect.edgetrainingsystems.com/blog/5-workplace-ethics-training-activities-for-a-perfect-workplace> (examples and directions for discussions exercises on ethical dilemmas)
- Ethics and anti-corruption e-learning and training programs:
<https://www.minv.sk/?survey> ; <https://antikorupcja.gov.pl/>;
<https://szkolenia-antikorupcyjne.edu.pl/>;
<https://extapps2.oge.gov/Training/OGETTraining.nsf/CourseList.xsp>;
<http://www.anticorruption.gov.co/Paginas/Educar.aspx>;
<http://www.actuecolombia.net/rutas/pub1.html>;
<https://www.korruptsioon.ee/en/conflict-interests/e-course-prevention-corruption-and-conflict-interest-public-sector>;
<https://www.fun-mooc.fr/courses/course-v1:CNFPT+87021+session07/about>;
<https://mooc.udp.cl/transparency-and-anti-corruption/>
- OECD Ethics Training for Public Officials⁸

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<https://extapps2.oge.gov/Training/OGETTraining.nsf/OGECourse.xsp?action=openDocument&documentId=A918F3824A1ECDA3852583E500442749>

⁸ <https://www.oecd.org/corruption/acn/resources/EthicsTrainingforPublicOfficialsBrochureEN.pdf>

GUIDANCE FOR SAIs- ETHICS TRAINING MODEL

Annex 1

Examples of ethics training courses

A basic training that describes the values and norms



Since 2002, the ECA has been organising training courses for its staff on ethical issues. These courses are compulsory for newcomers. In its most recent form, the compulsory course for newcomers addresses the following topics:

- **Our ethical framework:**
 - Applicable rules and principles
 - What are our values?
 - ECA's Ethical Guidelines
- **Ethical decision-making:**
 - Test your ethical reflexes
 - How to address and solve ethical dilemmas - a reference framework
 - Analyse and solve real life cases
- **Auditing the effectiveness of an ethical framework**

In October 2011, ECA has adopted Ethical Guidelines to provide practical guidance to staff on ethics. Since March 2013, a series of half-day workshops are being organised to raise awareness of all staff (almost 1.000 people) on the new Ethical Guidelines within the broader ethical framework of the Court.

Since the beginning, ECA's training courses and workshop are intended not only to promote an appropriate ethical behaviour, but to stimulate ethical reasoning as well. For this purpose, they put emphasis on the array of ethical situations auditors and other staff may face (right-vs-wrong and right-vs-right situations), so that staff are able to recognise ethical dilemmas when they encounter them, and have at their disposal the necessary tools to analyse and solve them.

Moreover, when the ethical guidelines were adopted in 2011, a number of real-life situations auditors can face accompanied them, to provide further practical guidance. It is important to update these example situations regularly.

E-seminar on Business Ethics for civil servants



In Croatia, an e-seminar on Business Ethics for civil servants is designed with the aim to improve the quality of work by learning and consideration on the fundamental business ethics concepts as part of lifelong learning in the workplace. It is conceived as an **interactive online workshop**, where an employee can participate in during working hours, which was released in advance and approved by the representatives of the institution.

The seminar is divided into thematic units to which an employee may occasionally participate in, and the overall time frame is scheduled for three hours of learning. Each unit starts with an introduction, followed by an explanation of the basic concepts, a concrete example, and then ends by placing queries on how to solve a moral dilemma associated with the topic.

Thematic units are:

- 1) Introduction to business ethics
- 2) Understanding the theoretical foundations
- 3) Business Ethics and Culture
- 4) Ethics in business communication
- 5) The relation of an organisation outwards
- 6) The relation within an organisation
- 7) Analysis of the code of ethics
- 8) Personal value system and checking personal behaviour.

When you choose to adopt this training method, it is recommended that you provide online support for clarification when needed by the trainee. Another option could be to combine the seminar with classroom training.

Education of the Ethics Commissioners

Description

In accordance with the Code of Ethics for Civil Servants, ethics commissioners appointed in state bodies are required to complete a dedicated training program. The program consists of a one-day workshop (8 training hours), divided into two thematic parts.

The training is targeted at appointed ethics commissioners who have not yet undergone compulsory education.

In the first part, participants are introduced to the basic concepts of ethics, integrity and corruption, followed by an introduction to the provisions of the Code of Ethics, with examples from the practice of conducting exams.

The second part covers the rules of conduct for civil servants and the procedures to follow in case of breach of official duty and conflicts of interest of civil servants, as prescribed by the Law on Civil Servants.

The program is designed as an interactive workshop in which participants, through exercises and exchange of experiences, acquire the basic knowledge needed to conduct exam procedures.

Training sessions about the integrity plan



One of the tools/methods for implementation of the organisational policy on integrity in *Tribunal de Contas* (Portugal) is regular training sessions about the integrity concept and about the values and practice as part of the integrity plan and its implementation. The current training programme implemented in the *Tribunal de Contas* is on the theme «*Ethics and Deontology in the Court of Auditors*».

The main objective of the programme aims at:

- Explaining to auditors the mains concepts of their profession ethical principles and expected behaviours;
- Building an ethical infrastructure in the Supreme Audit Institution, by using the OECD example adapted to the SAI mandate; and
- Brainstorming with the audience about ethical dilemmas and the best solutions for them.

The target audiences of this programme are:

- Newly recruited auditors;
- Auditors and other staff that support audit tasks. Staff working in maintenance tasks is also welcome.

Training sessions on Ethics and Deontology in the Court of Auditors cover the following topics:

- Definition and distinction of concepts: ethics, moral, deontology
- Public Ethics: the relevance of values;

- Particularities of the auditor ethics: INTOSAI standards; Audit Manual of the Court of Auditors of Portugal;
- A brief international benchmark (How SAIs deal with ethical and deontological dimension);
- Embedding ethical values in good governance;

These training sessions last for 15 hours, divided by 3 hours per day, completing five sessions.

The training includes many exercises that help obtaining a sound base of knowledge about the ethics and deontology values included in the audit manual of *Tribunal de Contas* of Portugal and the ethical infrastructure recommended by OECD.

The content of the training is now being adapted to the recently adopted Chart of Ethical Values and Codes of Conduct.

Training Activities on Ethics in the Turkish Court of Accounts (TCA)



In order to promote ethics within the Court, TCA organises a variety of training activities for its staff regarding ethics. These activities are a part of the TCA training plan.

Regular ethics training activities are provided **for newly recruited auditors of TCA** as a part of their orientation training programme. The main objective of this ethics training is to provide a general insight about ethics rules and standards and to familiarise the auditors with the ethics related concepts and the expected ethical behaviours.

The training program takes 2 hours, is delivered in the form of a seminar and includes the following topics:

- The importance of ethics in public administration;
- The ethics principles of public officials and the relevant legislation;
- The organisational structure regarding ethics in Turkey, i.e, the Council of Ethics for Public Officials and Ethics Commissions in Public Administrations;
- Ethics principles of TCA, ethical behaviours;
- The organisational structure regarding ethics in TCA;
- Prohibition of receiving gifts and providing benefits (Civil Servants' Act No. 657),
- International Standards (INTOSAI, IIA, IFAC) etc.

Administrative staff of TCA also receive ethics training. The main objective of the ethics training delivered to them is to raise awareness on the ethics related concepts, ethical behaviours, ethics rules and legislation, ISSAI 130 standard etc. This training program takes 15 hours, divided by 3 hours per day, completing five sessions. It includes the following issues:

- Explaining the key concepts regarding ethics, code of ethics, importance of code of ethics and ethical behaviour;
- Introducing the ethics principles of public officials and the relevant legislation, ethics management structure of TCA, roles and responsibilities of staff;
- Analysing and discussion on the ethics contract of public officials in terms of awareness;
- Brainstorming on case studies regarding ethical values and dilemmas;
- Team working through role-plays, depending on scenarios to be developed by participants regarding ethics values and dilemmas and group discussions on how the dilemmas could be answered.

As regards ethics training to **auditors** of TCA, the main objective of the ethics training delivered is to raise their awareness on the ethics behaviours, ethics rules and legislation of TCA, importance of following ethical rules in the audit profession, updated ISSAI 130 Standard, ethics related concepts etc. This training program is performed in the form of a series of half-day seminars. The program includes the following issues:

- Key concepts on ethics (i.e, ethical behaviour, unethical behaviour, code of ethics etc.);,
- Why ethical values and principles are important for SAIs;
- Ethical requirements of general ISSAIs for SAIs;,,
- The requirements of ISSAI 130 in terms of staff and SAIs;
- Introduction to the ethics control system in ISSAI 130 and best practices in this field (EUROSAI TFAE's *Guideline on how to implement ISSAI 130*),
- Professional ethics rules of TCA's Auditors, ethical dilemmas and a variety of case studies for discussions.

In 2018, TCA organised a training seminar to **its members and prosecutors** regarding judicial ethics. The main objective of this activity was to raise awareness on the current developments regarding judicial ethics at national and international levels. This training activity took 6 hours, divided by 3 hours per day, completing two sessions. The program included the following issues:

- Key concepts on ethics (i.e, ethical behaviour, unethical behaviour, code of ethics etc.);
- Why ethical values and principles are important for SAIs;
- Ethical requirements of general ISSAIs for SAIs;
- Judicial ethics, ethics, moral and law, the need for judicial ethics;
- Key essentials of judicial ethics in Turkey;
- Codes of Conduct of Court of Cassation of Turkey;
- International level arrangements and principles regarding judicial ethics;
- The requirements of updated ISSAI 130 in terms of staff and SAIs;
- Introduction to the ethics control system in ISSAI 130 and best practices (EUROSAI TFAE's *Guideline on how to implement ISSAI 130*);
- Ethical dilemmas and how to solve them;

- Etc.

In addition to the scheduled training activities, TCA also organises keynote speaker activities regarding ethics in public management, in the form of conferences to its staff.



Standardised training on Integrity and Prevention of Corruption in the Austrian Court of Audit (ACA)

In general, a comprehensive range of information and training is an essential part of an effective and accepted compliance management system in every organisation.

Within the ACA, the establishment of a special **Department for Anti-Corruption, Compliance and Risk Management**, in 2018, demonstrated the importance of promoting ethical behaviour, by implementing integrity policies and increasing knowledge. This special Department is explicitly tasked with staff training in integrity, values and practices and prevention of corruption

Newly recruited staff members take part in **onboarding events**, which include a module on integrity and the prevention of corruption. This training aims to increase the awareness of professional ethical principles and expected behaviours.

Every new auditor of the ACA and the Audit Courts of the *Länder* has to graduate in the subject “*Prevention of Corruption*” within the **compulsory basic training** on academic level. These two days-training sessions cover scientific and practical aspects of Compliance, Internal Control Systems and Integrity Management. These competences should be enhanced within the **MBA-training programme** for senior auditors. Both trainings are conducted in cooperation with the Vienna University for Economic and Business.

Furthermore, the Department for Anti-Corruption endeavours to provide staff members with a further training and education concept and information offering, adapted to their needs and wishes. Based on the following results of an anonymous **survey** (n=120) within the ACA in 2020, the information concept on the topics of corruption prevention, compliance and risk management was adapted:

- Greatest need for information was on the topic of risk management, followed by the topics of compliance and corruption prevention/integrity;
- Information should primarily be provided by means of a newsletter and on the compliance page on the Intranet;
- With regard to formats of education, the presentation of information within “**compliance breakfast sessions**”- presentations of about 30 minutes, with small “bites of information” but on a regular basis, received broad acceptance;

- Around 20% of the participants rated e-learning or audiovisual media with the best grade;
- A good format for integrity training would also be 60- to 90-minute training events or half-day seminars.



Summary of the Ethics Training for the audit staff of the French financial jurisdictions

“ Is and ought ”

Each audit staff newly recruited by the SAI receives a two-hours training entitled, “*Is and ought*” (with reference to Kelsen’s work⁹). Since 2010, the trainers have been members of the Ethics Committee under the leadership of its chairperson.

This training delivers three main messages:

- Ethics is crucial for Financial Jurisdictions;
- Recent laws and citizens’ expectations renew our focus on ethics;
- To this end, we provide audit staff with tools to align their practices with our ethical framework.

The training recalls the ancient anchoring of the ethical practices of the Financial jurisdictions, with the multi-century tradition of taking an oath and the existence of an incompatibility regime between auditor or magistrate’s position and other activities.

It also points out the new framework that emerged with the adoptions of a professional Code of Ethics in 2006 and Act No. 2016-483 (20 April 2016), regarding ethics and rights and obligations of civil servants. This Act enshrines the existence of such a Code, specifying the values and principles that shall inspire staff behaviour in Financial Jurisdictions.

The training:

- Presents the obligations of each category of staff: magistrates, rapporteurs, auditors, experts and all other categories of staff;
- Calls for their vigilance when they take up their duties, in the exercise of their functions but also in the event of secondment in other public functions, private sector’s activities or termination of functions;

⁹ Hans Kelsen, in his work entitled *Pure theory of law* (1934), makes a very clear separation in the social sciences between the “causal” sciences and the “normative” sciences. The first (physics, chemistry, biology, psychology, sociology, ethnology, history) study what “is”, while the object of the second (ethics, science of law) is “ought”. This disparity between “is” and “ought” seems to Kelsen “logically incontestable”.

- Explains the missions, organisation and tools developed by the Ethics Committee, as supports enabling the audit staff to assess their practices, seek confidential advice, or comply with the procedures, for example, before undertaking an cumulative activity;
- Exposes many practical cases in order to provoke exchanges between the participants; and
- Ends with a quiz, which makes it possible to approach ethical questions in a more enjoyable way.

GUIDANCE FOR SAIs- ETHICS TRAINING MODEL

Annex 2

Internal control system, control environment and ethics control system

Internal control system

A SAI, such as any other public organisation, should have an **internal control system** in place that provides reasonable assurance that it manages its operations economically, efficiently, effectively and in accordance with laws and regulations (INTOSAI GOV 9100). Further, a SAI should have a quality control system in place that ensures quality in all its work (ISSAI 40), although without restricting the independence of auditors.

Internal control is defined through the plans of the organisation, including management's attitude, methods, procedures and other measures that are taken to this end. Everyone in an organisation has responsibility for internal control to some extent. **A system of internal control is defined as consisting of five interrelated components: 1) control environment, 2) risk assessment, 3) control activities, 4) information and communication, 5) monitoring¹⁰.**

The *control environment* is the foundation for the internal control system and provides the discipline, structure and culture that influence the overall quality of internal control. Having established an effective control environment, an *assessment of risks* the organisation is facing when seeking to achieve its mission and objectives provides the basis for developing an appropriate response to risks. The major strategy for mitigating risks is through internal *control activities*, that can be both preventive or/and detective. For an entity to run and control its operations, effective *information and communication* is vital. Finally, it is necessary to *monitor* the internal control system to help ensure that it remains relevant to changing objectives, environment, resources and risks (INTOSAI GOV 9100).

¹⁰ See ahead – COSO Model

The quality of work performed by SAIs affects their reputation and credibility, and ultimately how they fulfil their mandate. As an overriding objective, each SAI should consider the risks to the quality of its work and establish a system of quality control that is designed to adequately respond to these risks. Maintaining **a system of quality control requires** ongoing monitoring and a commitment to continuous improvement. ISSAI 40 *Quality Control for SAIs* is used as the major reference.

Systems of internal control are relevant to all SAI operations. Important parts of a control environment need to be in place for a SAI to have effective internal control - **code of ethics and integrity, organisational structure and clarity on responsibility and reporting lines**.

Quality control of the audit process describes the sum of the measures taken to ensure the high quality of each audit product. It is carried out as an integrated part of the audit process. For a system of quality control to be effective, it needs to be part of an SAI's strategy, culture, and policies and procedures. In this way, quality should be built into the work of an SAI and the production of its reports. **Quality assurance** is a periodic evaluation of the audit process. It is a monitoring process designed to provide a SAI with reasonable assurance that the policies and procedures relating to the system of quality control are relevant and adequate and are operating effectively. Quality assurance should be carried out by individuals who are independent, i.e. have not taken part in the audit process they are reviewing. The quality assurance process should include a review of a sample of completed work across the range of work carried out by the SAI. Quality assurance may also be undertaken through various procedural mechanisms, as part of an integrated quality management approach.

In line with ISSAI 40, **SAI should establish policies and procedures promoting internal culture, recognising that quality is key for delivery of all tasks within its competences**. The head of the SAI should define such policies and procedures and maintain final responsibility for the quality control system. SAI should strive to achieve the culture that recognises and awards high quality of work across the SAI. In order to achieve such a culture, the Head of SAI should establish an appropriate "atmosphere" at the top, which puts emphasis on quality in all work of SAI, including other tasks contracted with the other party.

The **COSO model**¹¹ is a well-known and recognised framework to approach and build an effective **internal control system** in all types of organisations. According to this framework, internal control consists of five integrated components: control environment, risk assessment, control activities, information and communication, and monitoring activities. The framework sets out 17 principles representing the fundamental concepts associated with each component, as listed below. An entity can achieve effective internal control by applying all those principles.

COSO MODEL

Control environment:

¹¹ <https://www.coso.org/Pages/ic.aspx>- See Integrated Framework for Internal Control

- **The organisation demonstrates a commitment to integrity and ethical values.**
- The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal control.
- Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.
- The organisation demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.
- The organisation holds individuals accountable for their internal control responsibilities in the pursuit of objectives.

Risk assessment

- The organisation specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.
- The organisation identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed.
- The organisation considers the potential for fraud in assessing risks to the achievement of objectives.
- The organisation identifies and assesses changes that could significantly affect the system of internal control.

Control activities

- The organisation selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.
- The organisation selects and develops general control activities over technology to support the achievement of objectives.
- The organisation deploys control activities through policies that establish what is expected and procedures that put policies into action.

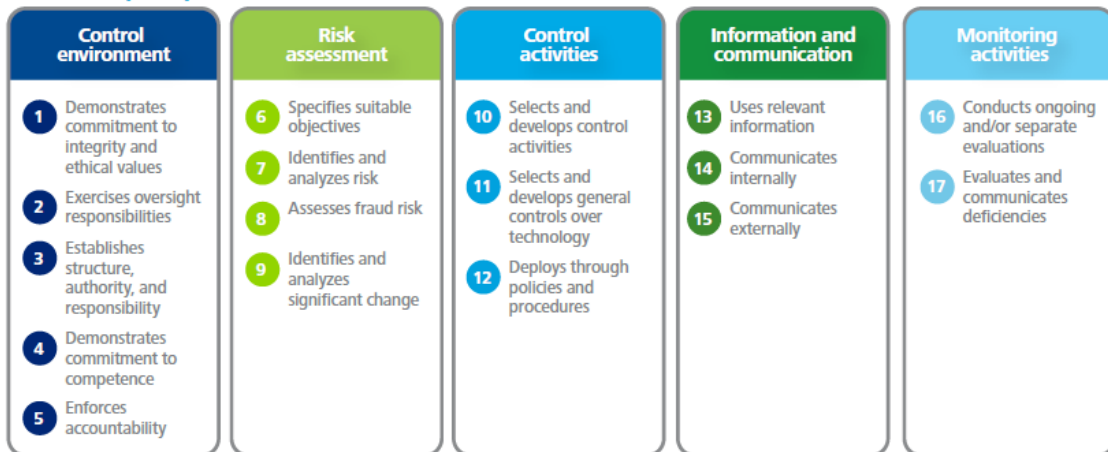
Information and Communication

- The organisation obtains or generates and uses relevant, quality information to support the functioning of internal control.
- The organisation internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.
- The organisation communicates with external parties regarding matters affecting the functioning of internal control.

Monitoring activities

- The organisation selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.
- The organisation evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate.

COSO's 17 principles of internal control – summarized



Source: Audit Committee Brief, March 2014. Deloitte Development Corporation. All rights reserved.

In this framework, a commitment to ethics and integrity is, therefore, an integral part of the internal control system, being the first principle of the control environment.

According to that, any organisation, notably a SAI, **should establish policies and procedures designed to provide it with reasonable assurance that the institution, including all employees, and others outsourced to perform tasks for it, fulfil the relevant ethical requirements.** To achieve this, the organisation:

- Should emphasise the significance of fulfilment of relevant ethical requirements in delivering its tasks;
- All employees should demonstrate adequate ethical behaviour;
- The Head and the top management should lead by example through adequate ethical conduct;
- The organisation should ensure that there are in place policies and procedures supporting the fundamental principles of professional ethics;
- The use of written statements by staff, to confirm compliance with ethical requirements, should be considered;
- It should be ensured that policies and procedures are in place for timely notification of the Head on breaches of ethical requirements, and to enable the Head to undertake adequate measures to resolve such issues.

Ethics control system

The INTOSAI Code of Ethics (ISSAI 130) provides SAIs and the staff working for them with a set of values and principles on which to base ethical behaviour. SAIs and SAIs' staff's decisions should be driven by five fundamental ethical values: Integrity, Independence and Objectivity, Competence, Professional Behaviour and Confidentiality and Transparency.

Furthermore, ISSAI 130, as revised in 2016, challenges SAIs for a new ethical approach, where they have the explicit responsibility of promoting and safeguarding ethics and ethical values. One of the main requirements of ISSAI 130 for SAIs is that, to promote and safeguard ethics, they should implement an **ethics control system**.

§§ 12, 13 and 14 of the ISSAI clarify that the ethics control system is the one that includes appropriate specific strategies, policies and procedures to guide, manage and control ethical behaviour and that its main components are:

- Code of ethics
- Leadership and tone at the top
- Ethics guidance
- Ethics management
- Ethics monitoring

Establishing an organisational policy on integrity is a powerful instrument to set up that coherent system. At the same time, it is the visible expression of an integrity culture (which spends time and resources in making ethics a priority) and one of the important contributors to ethical behaviour. As explicitly recognised by ISSAI 130, **this type of system can be built up separately or can be included within the SAI's overall internal control system**. Ultimately, it must address three main requisites:

- It needs to include specific strategies, policies and procedures applicable to ethics;
- It must address all the main components: guidance, management and monitoring; and
- It should be well integrated into the governance of the SAI.

Therefore, **it is possible to integrate the ethics control system as a part of the internal control system** of an organisation, notably a SAI.

This approach would mainly involve enriching the detail of the control environment, as described in the COSO model, and adding some specificities in the other components. Specificities would mainly relate to the following aspects:

Control environment:

- Setting ethics as an explicit priority, both internally and externally
- Establishing a code of ethics as well as policies and procedures to guide, manage and control ethical behaviour
- Applying ethics training activities to raise staff's awareness of integrity risks and expected behaviours

- Recognising ethical behaviour as a criterion in recruitment, performance appraisal and professional development
- Providing counselling and advising opportunities to staff in order to support them in making choices

Risk assessment:

- Explicitly including the integrity risks in the risk assessment activities

Control activities:

- Envisaging control activities that explicitly contribute to the prevention or mitigation of integrity risks, lowering them to acceptable levels (e.g. declarations of interests, gifts and hospitality, job rotation policy, revolving doors standards and controls)

Monitoring activities:

- Defining the appropriate monitoring activities related to integrity risks (e.g. verifications on potential conflicts of interests or outside activities)
- Defining and implementing whistleblowing policies
- Implementing policies and procedures to address ethical misconduct
- Applying tools to involve auditees in assessing the ethical performance of audit staff
- Applying self-assessments and regular internal and external evaluations of the ethics management in the institution

For detail on the SAIs' ethics control system, refer to the EUROSAI TFA&E guidance for SAIs «*How to implement ISSAI (1)30 (INTOSAI Code of Ethics)*», May 2017.

GUIDANCE FOR SAIs- ETHICS TRAINING MODEL

Annex 3

The ethical culture of an organisation

The ethical culture is the *ethos* of an institution.

It refers to the quality of the climate and relations within the institution and its environment, which are demonstrated in presence of unity, cooperation, belonging, equality and justice. It should link the moral responsibilities of staff with the moral expectations of the public and be demonstrated through quality and accessible services.

The ethical culture model makes a distinction between ethical climate and ethical culture of the organisation. The ethical climate defines the perception of managers and employees regarding what defines and is perceived as ethical acting. The ethical culture also includes factors that can prevent the onset of unethical behaviour or provide support to ethical conduct. It implies all actions that lead to compliance with ethical expectations.

Some characteristics of the ethical culture in an institution

- ◆ Ethical convictions and positions
- ◆ Value system in practice
- ◆ Codes of conduct in the organisation
- ◆ Management approach to continued ethics and integrity training of staff
- ◆ How the employees perceive the leadership and management team
- ◆ Understanding and respecting fair relations, justice and equity
- ◆ Management compliance with norms
- ◆ Relationships among different levels of management
- ◆ Reward and sanctioning systems
- ◆ Working atmosphere supporting the employees
- ◆ Climate encouraging open discussion on ethically challenging actions
- ◆ Manner of communication and language used

- ◆ Manner of marking milestone events, rituals
- ◆ Manner of consuming food, beverages, cigarettes
- ◆ Importance of time: arriving to work and leaving work, breaks
- ◆ Inappropriate symbols put up in the work environment (religious, political, and other symbols) and/or slogans promoting the operation of the institution
- ◆ Dress code
- ◆ Manner and criteria for use of official vehicles, technology and other resources of the institution
- ◆ Gifts
- ◆ Policy on outside jobs
- ◆ (Un)clear criteria for promotion
- ◆ Contacts with clients and media
- ◆ Manner of expressing opinions and emotions

The three levels of the ethical culture of an institution

- The **concrete level** consists of the most visible part of the culture, including all elements that the public, as well as the staff, easily and directly observe:
 - Manner of speech, clothes, appearance of the working premises, manner of consuming food, beverages and cigarettes in the working premises, or also during celebrations;
 - Existence of rules of conduct published on walls of the working premises; presence of symbols decorating the working premises and desks;
 - Manner of using official vehicles and technical equipment;
 - Manner of organising celebrations;
 - Public appearance in the media.

This level includes also all other elements based on which the public builds or maintains its image of the institution and of the people working in it.

- The **behavioural level** is reflected on:
 - Standards on how duty is performed;
 - Professional roles existing in the service and in the rules which form them
 - Protocols defining manner of communication
 - System for awards, promotion, etc.

Ethical conduct is what is accepted as good and correct in the context of these rules and in the Code of Ethics.

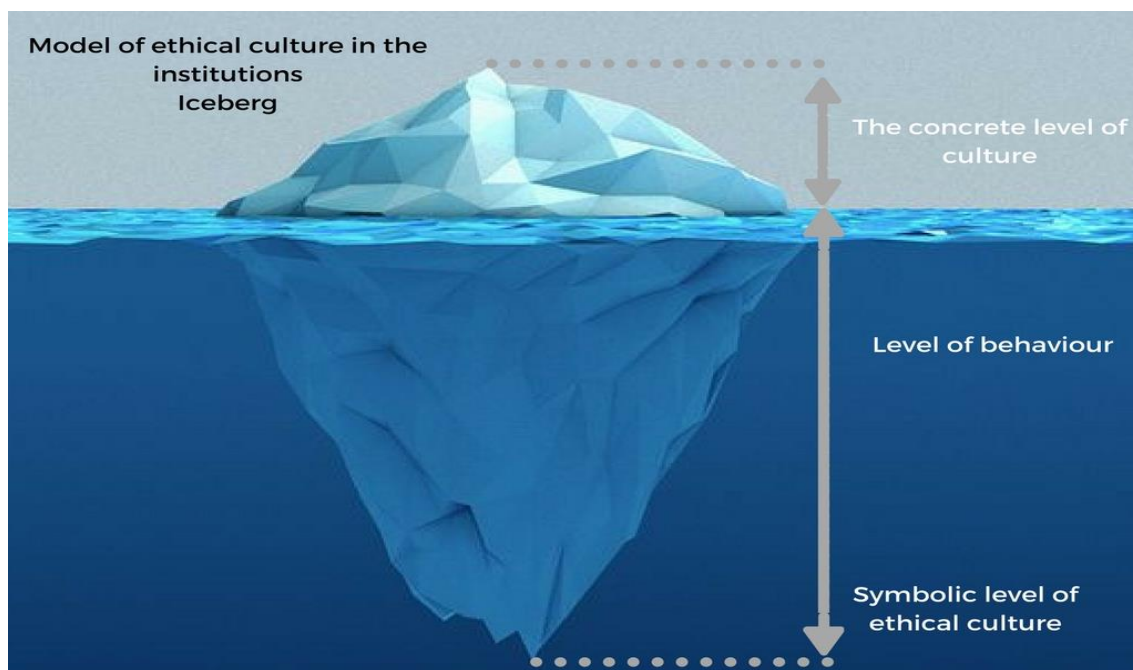
- The **symbolic level** involves values and principles that are the basis for professional positions and beliefs. They should be demonstrated in the behaviour of employees and in the manner of how they perform certain social/professional roles, in what they say and how they say it.

This level often remains abstract or invisible due to negative examples. These examples reflect the

absence of values and principles and should be a key intended to employees for clear understanding of standard professional roles. At the same time, the concrete and behavioural levels are to serve for the public as a mirror of the existence of principles and value systems. System of values, professional beliefs, working ethics, worldview, and good governance principles make up the professional integrity of staff and are reflected in what makes up the other two levels of culture.

Hidalgo's iceberg model of „ethical culture

For a detailed explanation of the influence that inadequate conduct of individuals has on reducing public trust in the institution that the individual represents, **Hidalgo's¹² iceberg model of „ethical culture“** can be used to explain in more detail the above given definitions of ethical culture and its possible impact on conduct of public sector employees.



Hidalgo's iceberg model is used to explain the notion of culture in general, and for the purposes of this training model it can be adapted according to the elements of culture of public institutions, as well as sub-cultures which are developed and maintained within individual sectors of public administration.

For the purposes of public sector and SAI employees' training, the adapted Hidalgo' model is termed as „ethical culture of institutions“, because all elements of culture in it are interpreted and considered through business ethics, prescribed standards of conduct, as defined in the codes of conduct for state auditors and other employees.

¹² Dr. Nitza M. Hidalgo, Professor of Education at Westfield State University

Ask the participants what first comes to mind when they hear the word *culture*. Write down about ten associations by noting down the key words which can be linked to the culture model (cultural artifact, language, food, beverages, etc.). Present the slide „ethical culture as an iceberg“ and explain the model, linking it to the associations. Stress that the image of civil servants is most often developed based on what citizens hear, see or practically experience from and with people representing institutions, and which is the concrete level of culture, or just the tip of the iceberg.

It refers to everything that the public has the opportunity to notice in the behaviour of public sector employees: dress, looks, use of working premises, use of official vehicles, technical equipment of the institution they work for, manner of consuming food, beverages or cigarettes, manner of communication with third persons, the negative picture of the institution that the person represents (in our language public sector employees are referred to as „representatives of institutions“), which then becomes a stereotype and is often generalised to refer to the conduct of all public sector employees. Explain additionally the responsibility of public sector employees: in order to debunk the existing negative images on public sector employees and understand our professional role relative to the inappropriate forms of conduct that we ourselves have witnessed in our work environment, it is necessary to familiarise ourselves and others with positive examples representing, the expected, standardised forms of conduct, prescribed by the Codes.

These are just some of the ways in which employees and citizens can get an insight into all aspects of the culture which are under the tip of the iceberg and to question the image which they have created on the basis of the concrete level of culture, reconsider it through expected forms of conduct prescribed by the Codes (second level of culture, hidden right beneath the concrete level – behavioural level).

The importance of the organisational structure

The organisational culture is defined as the “**collective brain**” of the organisation. A coherent organisational structure gives the staff the same angle of looking at things, the same principles determining their conduct and the definition of (un)acceptable social norms.

Establishing the following 7 organisational skills curbs occurrence of unethical conduct:

- ◆ Creating clarity
- ◆ Achieving compliance with norms
- ◆ Creating a working atmosphere which ensures support to employees
- ◆ Assessment of feasibility of work tasks
- ◆ Establishing visibility/transparency of behaviour
- ◆ Maintaining dialogue
- ◆ Sanctions



EUROSAI

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on Audit & Ethics



GUIDANCE FOR SAIs- ETHICS TRAINING MODEL

Annex 4

Illustration of how some values manifest themselves in behaviour

Code of ethics from the perspective of state auditors expressed in proverbs

- ✚ Through integrity, efficiency and unbiased action I safeguard the public trust and reputation of the institution.
- ✚ I work in line with the law and regulations, professional rules, codes and existing competences.
- ✚ In my private life I do not act in a way making me susceptible to influence by others.
- ✚ When there is a way, do not take a roundabout way.
- ✚ I do not put up political symbols in my work place.
- ✚ I do not influence the political affiliations of my colleagues.
- ✚ When making decisions and performing discretionary powers I am obliged to take into consideration public interest and not act in ways which puts me in a position that I will have to return favors.
- ✚ I do not allow my private interests interfere with public interest.
- ✚ I do take care of actual or possible conflict of interest and I undertake measures to avoid them.
- ✚ At the time of entering service I am aware that the head of the HRM unit is obliged to present to me the legally prescribed limitations and prohibitions aimed at preventing conflict of interest.
- ✚ It is better to be the one who knows that he does not know but is willing to know.
- ✚ I can receive only protocol approved and appropriate presents.
- ✚ When I am offered a gift which I must not accept: I return it, I identify the giver (when it was not personally given); I look for witnesses; I record an official note and notify my manager of this event.
- ✚ I use delegated resources economically, for the earmarked purpose, and efficiently.
- ✚ I deal with given information as follows: I ask only for the information needed in order to complete my task; I disclose only what I am authorized to disclose; I do not make use of them or abuse them for private purposes in order to gain favors.

- + I do not present personal data from records maintained on other civil servants except when so prescribed by the law.
- + Managing oneself is the biggest power.
- + In dealing with clients I am kind, decent, interested and patient.

Illustration of how some values manifest themselves in behaviour:

Accountability

1. I work towards improving the quality of life of the community to which I belong and towards promoting the best interests of citizens.
2. I work towards promoting efficient use of resources of the institution.
3. I do not use the resources of the institution for my personal or political gain.
4. I represent the official positions of the institution the best I can whenever I am authorized to do so.
5. I take responsibility for my actions, even when unpleasant.
6. I do not use the information which I come to in the course of my work private gain.
7. I directly state that my personal opinions and positions do not necessarily represent the opinions of the institution in which I work and I do not allow others influence my reasoning.
8. I do not make promises for which I think are unrealistic to achieve.

Confidentiality

1. I protect the confidentiality of information.
2. I avoid business, contracts and other financial, political or personal gain which can be in conflict with my work and work related obligations.
3. I favor the option which brings objective gain and benefit to public interest and not to me, my family, friends or associates.
4. I do not contest the final decisions made by managers (those who make decisions), except through internal channels of communication.
5. I put loyalty to public interest over my personal, professional or political loyalties.

Professionalism

1. I address everyone with kindness and respect, even when we disagree.
2. I focus on values and arguments, not personal traits or other things which could interfere with my thinking about what is best or society.
3. I monitor my tasks, I keep others informed, and I provide answers in a timely manner.
4. I am open and accessible and I pass this on to my associates.
5. I listen carefully and ask questions which contribute to discussions.
6. I engage all stakeholders in meetings which have impact on decisions made by the institution.
7. I come to meetings prepared.

Integrity

1. I make decisions on the basis of the law and regulations.
2. I support the right of the public to know and I promote meaningful engagement of the public in issues of public administration.
3. I respect the law and expectations of the public that the institution's policies will be implemented consistently.
4. I support merit based employment and contracts in public administration.
5. I am objective and do not grant advantage to those who have assisted me or are in a position to assist me.
6. I promote equality and I treat all people equally.
7. I exclude myself from issues which can have impact on me or my family's financial interests.
8. I respect the support of others who lead to better society.
9. I consistently abide by standards but am also ready to make a compromise, or respect creativity and promotion of existing standards.

Trust:

1. I am aware that my greatest role is to serve society.
2. I am honest with my colleagues, the public, and other stakeholders.
3. I avoid actions which could compromise my objectivity.
4. I do not take gifts and other presents as a result of my position.
5. I do not use my position in public administration for personal gain.

GUIDANCE FOR SAIs- ETHICS TRAINING MODEL

Annex 5 Assessment Tools

IntoSAINT

*IntoSAINT*¹³, developed by the Netherlands Court of Audit, is a self-assessment tool enabling SAI to assess their vulnerability and resilience to integrity violations and to yield recommendations on how to improve integrity management.

The self-assessment is conducted in a two-days workshop for a group of participants from the assessed entity.

The tool is mainly grounded on the ideas that:

- Integrity is a broad concept that goes beyond simply observing rules and laws
- Dealing with integrity through a preventive approach is less costly and more effective than repairing damaged caused by misconduct; and
- Effectiveness of integrity management is more strongly determined by soft controls, related to behaviours, working atmosphere and culture within the organisation, than by hard controls, based on following rules.

IntoSAINT is targeted at corruption prevention and leads to management recommendations to support the integrity of the organisation. It is a 'qualitative tool' that enables the user to design a tailor made integrity policy and at the same time increase the integrity awareness of employees.

¹³ SAINT was originally designed, by the Netherlands Court of Audit, in cooperation with the Ministry of the Interior and the Bureau Integrity of the city of Amsterdam, for public sector organisations in general, but it has been customised to meet the specific needs of SAIs. This particular version of SAINT is available for members of INTOSAI and is termed 'IntoSAINT'.

The basic principles of *IntoSAINT*

- *SAINT* is a self-assessment tool. The organisation itself must take the initiative to test its integrity. Thus, the assessment draws on the knowledge and opinions of the staff. The organisation reveals its own weaknesses and the staff make recommendations on how to strengthen resilience.
- Targeted at prevention: The self-assessment tool is targeted at prevention. It is not designed to detect integrity violations or to punish (repress) unacceptable conduct. Instead, it is meant to identify the main integrity weaknesses and risks and to strengthen the organisation's resilience in the face of those weaknesses and risks.
- Raising general integrity awareness: The *IntoSAINT* workshop significantly increases awareness of integrity. The participants' collective discussions about the importance of integrity are of great value.
- Learning to think in terms of vulnerability and risk: The *IntoSAINT* workshop teaches the organisation how to think in terms of vulnerability and risk. During the workshop, the participants identify the main vulnerabilities and risks and then make recommendations on how to minimise them.
- Concrete management report/action plan: The end product of the *IntoSAINT* workshop is a concrete management report/action plan. Under the expert leadership of a trained moderator, the participants formulate recommendations for their own organisation. The report explains to management where urgent measures must be taken to strengthen the organisation's resilience in response to integrity violations.

IntoSAINT experience has so far shown that:

- Structured integrity risk assessment is not common within SAI;
- The need for an integrity policy framework is among the most mentioned recommendations;
- Risks related to the independence of SAIs are an important concern; and
- Recommendations concerning 'soft controls' stress the importance of fairness, clarity, communication and leadership.

Outline of the *IntoSAINT* workshop

IntoSAINT is a self-diagnosis tool that is presented in a two days workshop. The assessment methodology consists of five separate steps:

(a) Analysis of object and its processes

- (b) Assessment of vulnerabilities
- (c) Assessment of the maturity of the integrity control system
- (d) Gap analysis
- (e) Management report and recommendations

(a) Analysis of object and its processes

The first step is to define the object of the assessment and to analyse the relevant processes. The object may be the entire SAI or organisational units of the SAI. For the selected object a list of primary, secondary and management & control processes has to be drawn up. The quality of the list will determine the further course of the assessment. As well as being complete, the list must indicate the processes so that they are recognised and understood without being overly detailed. Cryptic names lead to uncertainty and should be avoided.

(b) Assessment of vulnerabilities

In this step, an estimate is made of the vulnerability, i.e. the potential exposure to integrity violations, of the processes named in step (a). This step consists of four sub-steps:

- 1) Relating the list of processes to an overview of processes in the public sector that are known to be vulnerable to breaches of integrity;
- 2) Considering the presence or absence of vulnerability enhancing factors;
- 3) Producing an overview and overall assessment profile of the perceived vulnerability. In more detail this step consist of two sub steps: inherent vulnerabilities and vulnerability enhancing factors.

Inherent vulnerabilities

The characteristics of a vulnerable process are known from both research literature and practice. They are summarised below:

Vulnerable areas /activities /actions

Relationship of the entity with its environment

- Contracting: procurement, tenders, orders, assignments, awards
- Payment: subsidies, benefits, allowances, grants, sponsoring
- Granting / Issuance: permits, licenses, identity cards, authorizations, certificates
- Regulating: conditions of permits, setting standards / criteria
- Inspection / audit: supervision, oversight, control, inspection, audit
- Enforcement: prosecution, justice, sanctioning, punishment

Managing public property

- Information: national security, confidential information, documents, dossiers, copyright
- Money: treasury, financial instruments, portfolio management, cash/bank,

premiums, expenses, bonuses, allowances, etc.

- Goods: purchasing / selling, management and consumption (stocks, computers)
- Real estate: buying / selling

Processes that have one or more of these characteristics are vulnerable to integrity violations. The left-hand column contains two characteristic elements for assessing vulnerability. Processes in which there is intensive contact with “clients” are more vulnerable to violations because there are more opportunities and temptations. The same is true of processes that involve valuable public assets. Participants match the activities of their organisation with the vulnerable activities on the list to see if they are relevant. This way they get a first indication on the inherent vulnerability of the organisation.

Vulnerability enhancing factors

In addition to the vulnerability caused by characteristics of a function or process, certain circumstances can increase vulnerability. Examples of factors that increase vulnerability are listed below:

1. Complexity

- Innovation / advanced (computer) systems
- Complex legislation
- Special constructions (legal / fiscal)
- Bureaucracy
- Networks of relations
- Lobbying
- Political influence / intervention / assignments
- Mix of public-private interests (commerce / competition)
- Need for external expertise

2. Change/Dynamics

- Young organisation
- Frequently changing legislation
- Strong growth or downsizing
- Privatisation / Management buy-out
- Outsourcing
- Crisis (reorganisation, threats with huge impact, survival of the organisation or job at stake)
- External pressure (pressure on performance, expenditure, time, political pressure, shortages / scarce resources in comparison with duties)

3. Management

- Dominant
- Manipulative
- Formal / bureaucratic
- Autocratic operation
- Remuneration strongly dependent on performance
- Lack of accountability

- Ignoring advice / signals
- Defensive response to criticism or complaints

4. Personnel

- Work environment / Loyalty
- Pressure on performance / income dependent on performance
- Low status / lack of esteem / low rewards / low career prospects
- Poor working conditions / High workload
- Group loyalty
- Power to obstruct
- Individual
- Having other interests (side jobs etc.)
- Personal debts
- Lifestyle (overspending)
- Personal secrets (vulnerable for blackmail)
- Personal threats
- Addictions (alcohol, drugs)

5. Problem history

- Complaints
- Gossip and rumours
- Signals / whistleblowers
- Earlier incidents (recidivism)
- Administrative problems (backlogs, inconsistencies, extraordinary trends etc.)

While the factors above are not integrity risks in themselves, they can increase vulnerability because they increase the probability of a violation occurring and the consequences (impact) of a violation.

Using the knowledge about vulnerabilities and risks, the participants analyse the main integrity risks.

(c) Assessment of the maturity of the integrity control system

In this step the participants assess the maturity of the integrity measures that together form the organisation's integrity control system. The system is divided into 16 clusters, with the clusters being subdivided into three blocks (general, hard and soft controls). This module consists of the following steps:

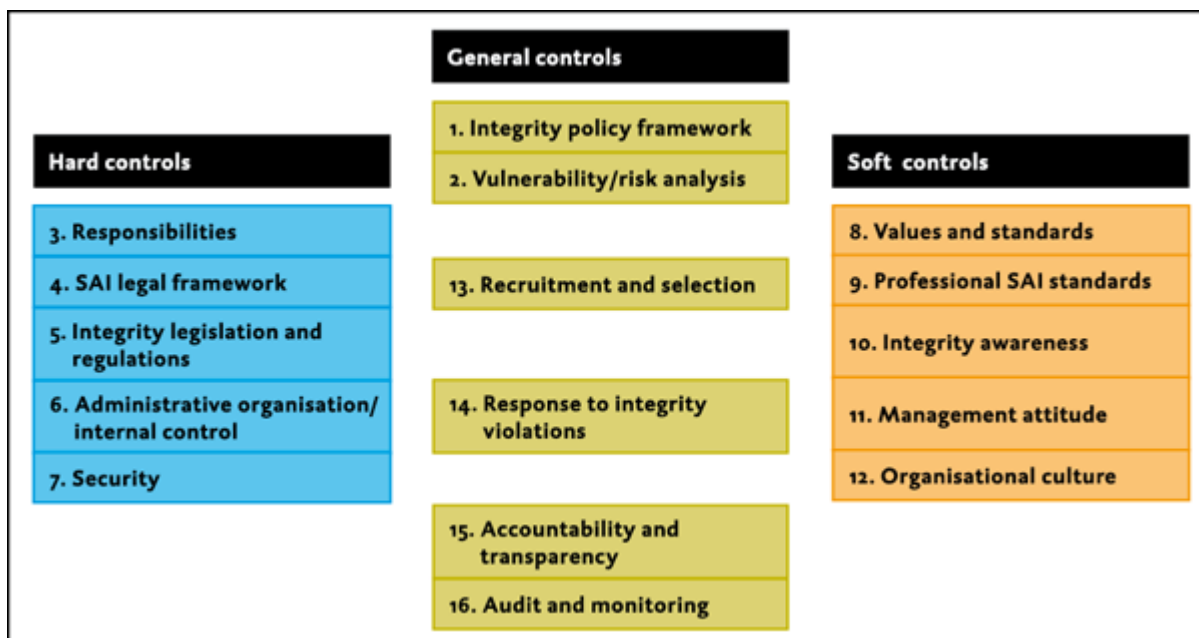
- 1) Brief introduction to the integrity control system, made up of measures, clusters and categories;
- 2) Brief introduction to the maturity levels;
- 3) Assessment of the maturity level of all the measures by awarding them points;
- 4) Summary of the scores to produce an average per cluster and block; this shows which clusters and blocks are relatively robust or weak.

A key element of this methodology is the assessment of the “maturity level” of the integrity control system.

The Integrity Control System

The integrity control system is the body of measures in place to promote, monitor and maintain integrity. From the many measures known from the literature and practice a keenly balanced set has been composed to serve as reference for this assessment method. This set of controls also takes the International Standards for Supreme Audit Institutions (ISSAI) into account, as far as ethical components are involved.

The organisation’s integrity control system is described using an extensive set of integrity measures divided into three main groups (general, hard and soft controls) and 16 clusters. The clusters are shown in the model below.



Integrity measures of the integrity control system

The hard controls, as the term suggests, are concerned mainly with regulations, procedures and technical systems. The soft controls are designed to influence behaviour, working atmosphere and culture within the organisation. The clusters in the general controls category are more wide ranging or have a mix of hard and soft elements.

Assessment of the maturity levels

The maturity level assessment of the integrity control system provides an insight into the resilience the organisation has already built up to integrity violations.

In an ideal situation, the maturity level is based on:

- The presence of measures;

- The quality and suitability of the measures and their design;
- Communication of the measures and the staff's awareness of them;
- The acceptance of the measures;
- The embedding of the measures in the planning & control cycle;
- The quality of the measures' implementation and enforcement;
- The supply of information and accountability for the implementation and effect of the measures;
- The evaluation and, where necessary, revision of the measures.

It would be too complex to include all these elements separately in the assessment method. Therefore, a relatively simple method has been designed for scoring the maturity level:

Method for scoring the maturity level	
Level	Criteria
0	<ul style="list-style-type: none"> • The measure does not exist
1	<ul style="list-style-type: none"> • The measure exists • The measure is not implemented / not observed
2	<ul style="list-style-type: none"> • The measure exists • The measure is implemented / observed • The measure is not effective
3	<ul style="list-style-type: none"> • The measure exists • The measure is implemented / observed • The measure is effective

(d) Gap analysis

This module reveals the link between the vulnerabilities (b) and the maturity level of the integrity controls (c). The analysis should clearly show the remaining vulnerabilities after the confrontation of vulnerabilities with the relevant control measures in the integrity control system. The gap analysis may be extended to the level of specific risks per vulnerable process, to provide more detailed recommendations to management.

After completing the assessment of vulnerabilities and of the maturity level of the integrity control system, it becomes possible to analyse whether the existing system of controls is more or less in balance with the level of vulnerability of the organisation and its processes. If both levels are not in balance, there is a gap, usually indicating that the integrity control system needs strengthening.

Organisations may cope with vulnerabilities in different ways. First, they may try to eliminate or reduce vulnerabilities by avoiding vulnerable activities. Sometimes it is possible to conduct activities in a different way thereby eliminating activities that are vulnerable to breaches of integrity. This means that the organisation is able to address the origin of the vulnerability. In practice, however, this may be difficult. Public organisations have legal obligations and cannot avoid engaging into sensitive activities.

Usually, a more viable way to cope with vulnerability is to design and implement compensating (integrity) controls. Depending on the 'maturity level' of the integrity control system, the organisation is more or less resilient to the vulnerabilities it is facing.

(e) Management report and recommendations

This module reveals the link between the most vulnerable processes (1c) and the measures (2). The central question is which measures are the most appropriate to make the most vulnerable processes more robust. Subsequently, the participants are asked to suggest how the organisation can improve and implement the most important measures. These suggestions form the building blocks for the management report and action plan.

SAI Performance Measurement Framework (SAI PMF)

The Supreme Audit Institutions Performance Measurement Framework (SAI PMF) was developed by a Task Force coordinated by the INTOSAI-Donor Secretariat in the INTOSAI Development Initiative (IDI) under the aegis of the INTOSAI Working Group on the Value and Benefits of SAIs (WGVBS), following a decision at the INTOSAI Congress in South Africa in 2010.

The 2016 version, which was endorsed at the INTOSAI Congress in Abu Dhabi in 2016, reflects experiences from the Pilot Version (July 2013), which was subject to extensive consultation and testing through more than 20 pilot assessments in SAIs.

This framework is meant for voluntary assessments of the SAIs' performance against the ISSAIs and other established international good practices for external public auditing. SAI PMF is a multi-purpose, universal framework, and can be applied in all types of SAIs, regardless of governance structure, mandate, national context and development level.

From 2017, the framework is being made operational in the INTOSAI community by the IDI, with the INTOSAI CBC being the strategic lead. For further details, please visit <http://www.idi.no/en/idi-cpd/sai-pmf> or contact idi@idi.no.

The framework supports SAIs in their endeavours to reach the objectives of ISSAI 12 *The Value and Benefits of SAIs – making a difference to the lives of citizens*. SAI PMF enables SAIs to assess their performance holistically as the framework covers audit work, internal governance and ethics, relations with external stakeholders and independence and legal framework. It aspires to assess SAI's contribution towards strengthened accountability, transparency and integrity. It gives SAIs an opportunity to become model organisations, leading by example in promoting transparency and accountability, through credible public reporting on their own performance.

SAI PMF is intended to be used to establish how well a SAI performs compared to international good practices, as well as to identify its strengths and weaknesses. The assessment should be evidence based.

Use of the SAI PMF is voluntary. The decision to undergo an assessment using the SAI PMF rests with the Head of the supreme decision making body of the SAI in question. An assessment using the SAI PMF may be followed by a more thorough needs assessment to prepare a capacity development program.

SAIs may also want to carry out a SAI PMF assessment for several other reasons:

- As a step towards ISSAI's implementation (learn where the need for change is greatest in order to follow the key principles of the ISSAIs; obtain an increased understanding of what good practice for SAIs entails).
- To demonstrate progress and value and benefits to society (measure progress over time and demonstrating this to external stakeholders; show to stakeholders how the SAI contributes to strengthening public financial management, promoting good governance, fostering transparency and accountability, and tackling corruption).
- Strategic planning; conduct a needs assessment covering the entire organisation, which the SAI may use to inform the development of a strategic plan.
- Internal performance measurement/annual reporting (improve or introduce internal performance measurement procedures).
- To obtain support for capacity development efforts (by showing commitment to change and establishing a performance baseline).

The SAI PMF uses the International Standards of Supreme Audit Institutions (ISSAIs) as the main benchmark against which performance is measured. Most of the indicators have been developed on the basis of ISSAIs, at levels 1-3.

The SAI PMF consists of two components:

- 1) Guidance for the performance report, which is the end product of the assessment and which consists of a narrative analysis of the findings.
- 2) A set of 25 indicators (of one to four dimensions each) for measuring SAI performance against international good practice in six domains:
 - A. Independence and Legal Framework
 - B. Internal Governance and Ethics
 - C. Audit Quality and Reporting
 - D. Financial Management, Assets and Support Structures
 - E. Human Resources and Training
 - F. Communications and Stakeholder Management

As regards assessing the implementation of ISSAI 130 in different SAIs, several criteria across the different dimensions and domains of SAI PMF are relevant.

As the SAI PMF is based on the ISSAIs and established international good practices, it draws on different ISSAIs as reference for the criteria. A few criteria in the framework have been directly drawn from ISSAI 130. Several other criteria correlate to the general requirements of ISSAI 130 as well as the five fundamental values guiding ethical conduct in the SAIs and by their staff and contracted entities.

All domains of SAI PMF have some linkages to ISSAI 130 requirements. Likewise, all the values indicated in ISSAI 130 have also been considered in the SAI PMF: The difference lies in the level of detail. While the criteria regarding Independence of SAIs and Heads of SAIs are dealt with in greater detail in SAI PMF (and rightly as these are more relevant to ISSAI 10 than ISSAI 130), the exposition of the values and their related requirements in ISSAI 30 is more detailed. Even though there is no one to one mapping of the Values of ISSAI 130 with the Domains, Indicators, Dimensions or Criteria of SAI PMF, the two may be mapped in the following way:

1. Overall Approach and Responsibilities with regard to ISSAI 130

- Domain B
 - SAI 4: Organisational Control Environment
 - Dim (i) Internal Control Environment- Ethics, Integrity & Organisation Structure
 - Dim (ii) System of Internal Control
 - SAI 5: Outsourced Audits
 - Dim (i) Process for selection of Contracted Auditor
 - SAI 6: Leadership & Internal Communication
 - Dim (i) Leadership
- Indicators in Domain C for Financial, Performance and Compliance Audit, Process and Jurisdictional functions.

2. Integrity

- Domain B:
 - SAI 4: Organisational Control Environment
 - Dim (i) Internal Control Environment- Ethics, Integrity & Organisation Structure.

3. Independence and Objectivity

- Domain A:
 - SAI 1: Independence of the SAI
 - SAI 2- Mandate of the SAI
- Domain B:
 - SAI 4: Organisational Control Environment
 - Dim (ii) System of Internal Control
- Domain F:
 - SAI 24: Communication with Legislature, Executive and Judiciary

- Dim (iii): Good Practices Regarding Communication with the Executive

4. Competence

- ➔ Domain B:
 - SAI 5: Outsourced Audits
 - Dim (i) Process for selection of Contracted Auditor
 - SAI 7: Overall Audit Planning
 - Dim (ii) Overall Audit Plan/Control Programme Content
- ➔ Indicators in Domain C for Financial, Performance and Compliance Audit, Process and Jurisdictional functions
- ➔ Domain D:
 - SAI 21: Financial Management, Assets and Support Services
- ➔ Domain E- Human Resource Management

5. Professional Behaviour

- SAI 6: Leadership & Internal Communication-Dim (i) Leadership

6. Confidentiality and transparency

- SAI 5: Outsourced Audits
 - Dim (i) Process for selection of Contracted Auditor.

Structure of the SAI-PMF

