



TASK FORCE ON AUDIT & ETHICS



The SAI of Portugal

I. Context

The VIII EUROSAI Congress, held in *Lisboa* in June 2011, in its final Conclusions and Recommendations, on the theme **Challenges, demands and responsibilities of public managers and the role of Supreme Audit Institutions**, stated that “*Within the framework of the EUROSAI Strategic Plan adopted by this Congress, EUROSAI build upon this theme, via a structured dialogue or any other adequate form of joint efforts, such as a taskforce, in order to be able to meet the challenges of change and share the results with the wider INTOSAI community. Mutual experience benefits all.*”

Considering this recommendation, and upon one of the strategies of the Portuguese presidency, the EUROSAI Governing Board agreed to set up a Task Force to deal with **Audit & Ethics**, aiming primarily to **promote ethical conduct and integrity, both in SAIs and in public organisations.**

This approach meets challenges that have been increasing in a period of a wide financial and economic crisis, which has been causing growing difficulties for citizens. It is generally agreed that the roots of the problem lie on failures of regulation and also on values’ breakdowns. These assumptions, in times of uncertainty and need to recall the basic principles, enhance the opportunity and the advantages of exploring and consolidating this theme.

A meaningful number of European Supreme Audit Institutions decided to participate in this Task Force, which, at the moment, is composed by the following SAIs:

- *Tribunal de Contas*, Portugal (Chair).
- *Državni ured za reviziju*, Croatia.
- *Κυπριακής Δημοκρατίας*, Cyprus.
- *European Court of Auditors*, European Union.
- *Cour des comptes*, France.
- *Állami Számvevőszék*, Hungary.

- *Ríkisendurskoðun*, Iceland.
- *Државен завод за ревизија*, former yugoslavian Republic of Macedonia.
- *Algemene Rekenkamer*, The Netherlands.
- *Curtea de Conturi*, Romania.
- *Racunsko Sodišce*, Slovenia.
- *Tribunal de Cuentas*, Spain.

Albania has already shown its interest in participating in the TF, so we are gladly expecting that soon the SAI of this country will join our efforts.

Other SAIs from Europe are also welcome to join us.

■ **Ethics is about making conscious choices in line with a framework of values and principles.** ■

2. Kick-Off Meeting

The Task Force on Audit & Ethics (TF), under the chairmanship of Tribunal de Contas of Portugal, held its 1st meeting (7-8 May), in Lisbon, aiming to share experiences and practices and, most of all, to prepare its working plan, detailing the objectives, priorities and tasks and their schedule and responsible SAIs.

It was a fruitful meeting, almost like a small seminar, due to the relevant and interesting presentations there done.

- Ethics and mitigation of conflicts of interests in the French “*Cour des Comptes*”.
- The Code of Ethics of the Romanian Court of Accounts.
- Ethical tools used in the Croatian State Audit Office.
- The experience of the European Court of Auditors.





- A tool for assessing integrity: INTOSAINT.
- Audit of Ethics: principles, models and measurement of the ethical dimension—presentation of a Brazilian concept.
- Evaluation of ethical infrastructure within Croatian public sector.
- Audits performed by the Netherlands Court of Audit.
- Summary of other audit experiences.

Our approach will face existing rules on minimums to be complied but should also deal with the expected appropriate behaviours. It will cross issues of **fighting fraud and corruption**, avoiding **conflicts of interests** and controlling conducts. But it should also touch upon making **moral expectations** known and guiding staff and upon possible **organisational measures** to minimise risks.

In that 1st meeting it was agreed that the **main priorities** of the TF should be to collect all the relevant experiences, information and good practices in the field, to disseminate

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this information, to promote a wide discussion on the possible SAI's role in enhancing ethical behaviour in public organisations and to focus on methodologies and training.

The TF members also agreed on the main objectives, activities/projects, deadlines and expected results and outcomes. Several representatives offered to be responsible for the several projects.

A **Working Plan** for the period **2012-2014**, comprising the assignment of responsibilities, was approved with the following goals:

Goal 1
<i>Contribute to raise public confidence in SAIs by supporting the implementation of ISSAI 30 (Code of Ethics).</i>
In this context, the objective is to reinforce, frame and provide robustness to the management of ethical conduct, with practical and feasible tools that intend to help the institutions in their every day work. Some works were unanimously agreed:
<ul style="list-style-type: none"> • To list and gather all relevant guidance already available. • To list and compare how the several SAIs implement the ethical principles of ISSAI 30. • To share information and experiences on the field.



- To compile a set of good practices.
- To list a set of examples of concrete ethical dilemmas arising from each basic principle and of possible ways to solve or minimise them.
- To identify good practices and define model courses for ethical training.
- To include the information in the website.

Goal 2

Promote ethical conduct in public organisations through the SAIs' activities.

Maintenance of a high level of ethical behaviour within the organization will probably reduce corruption as well as mismanagement and allow it to enjoy a high reputation within stakeholders and the whole society.

Auditing ethics comes up as a practical way to regularly make the assessment of compliance with those demands, to evaluate at what level control systems are **strong and robust**, and that ethics stands at a high level within the organisation.

The TF decided to provide support to European SAIs on this matter by:

- Listing and gathering material on all relevant experiences in auditing ethics.
- Discussing the possible role of SAIs in auditing integrity management.
- Sharing information and experience in a seminar and in the website.

3. Upcoming Activities

The Task Force on Audit & Ethics will launch, early December, a survey on **Promoting ethical behaviour within SAIs and in public institutions**, addressed to all EUROSAI members, to collect and analyse information on SAI's practices.

The main purpose is to develop an in depth study over this matter and make it available to the other SAIs.

Two seminars are also previewed to be held:

- The first one, aiming to allow discussion and to share experiences and knowledge about the audit of ethics, likely to be held in September 2013.
- And another one, in the beginning of 2014, aiming to share experiences and the results of the TF works in what concerns ethics within SAIs.

The Task Force is seeking to complement its activity with other INTOSAI initiatives, such as INTOSAINT and to share experience with other INTOSAI Regions. A fruitful cooperation is envisaged with CEPAT (Committee for Public Ethics, Integrity and Transparency) from OLACEFS.

The 2nd TF meeting should be held in the 1st quarter of 2013, in the SAI of Croatia. ■

