Terms of Reference for the EUROSAI-Network for ethics

1. General provisions

1.1. Name of the Project Group/Network

EUROSAI –Network for Ethics *(acronym: N.ET)*

1.2. Background and objectives of the Network

1.2.1. Background

In June 2011, in Lisbon, the EUROSAI Governing Board set up a Task Force to deal with Audit & Ethics (TFA&E), aiming at promoting ethical conduct and integrity, both in Supreme Audit Institutions (SAIs) and in public organizations.

Within the mandate established in 2011 and renewed by the X EUROSAI Congress, the TFA&E has, during the reporting period 2017-2021, completed tasks related with:

- Raising awareness on the importance of ethics as a pillar of SAIs
- Supporting European SAIs in implementing ethics control systems
- Monitoring SAIs' ethical frameworks and practices
- Disseminating the TFA&E guideline to audit ethics/integrity
- Raising awareness and encouraging SAIs to promote integrity in public sector and to audit ethics related issues
- Organizing meetings
- Maintaining a website
- Publishing articles
- Cooperating with INTOSAI, IDI, other Regional Groups and OECD.

32 EUROSAI SAIs have participated in the TFA&E work.[1]

The TFA&E was led by SAI Portugal. During its duration the TFA&E has received recognition by its members, but also externally[2], for influencing progress in the ethics management and the integrity audit in European SAIs.

After three mandates, a proposal was made to close the activity of the TFA&E. However, the TFA&E members as well as the European SAIs advised that the promotion of ethics and integrity should be kept high in the

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[1] Albania, Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, European Court of Auditors, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Israel, Italy, Malta, Moldova, Montenegro, North Macedonia, Poland, Portugal, Romania, Russian Federation, Serbia, Slovenia, Spain, Sweden, The Netherlands, Turkey and United Kingdom.

[2] External recognition for the impact of the TFA&E work came in the form of the I prize "*Integrity in the Public Sector*" awarded by the University of Castilla La Mancha and the World Compliance Association.

agenda of both SAIs and EUROSAI. Activities in this area are still of interest for SAIs and are a growing topic in INTOSAI and other Regional SAIs organisations. Furthermore, fraud and corruption concerns during emergencies, such as the Covid-19 current one, enhance the importance of an integrity approach to the use of public funds. Results of the TFA&E discussions and conclusions from the survey indicate that a permanent platform should exist to allow a continuous exchange of information, documentation and experiences.

To meet those expectations, the TFA&E submitted the following proposal for approval by the EUROSAI Governing Board and the Congress:

a) *Close the activity of the EUROSAI TFA&E.*
b) *Keep the Audit & Ethics subject as a topic in the Agenda of EUROSAI as a permanent activity.*
c) *Establish, within the Strategic and Operational Plan, a «EUROSAI Network for Ethics», in charge to manage an on line permanent platform that keeps SAIs informed and collaborative in the topics of SAIs' ethics management and SAIs' integrity awareness raising, ethics related audit initiatives and anti-corruption role.*
d) *Entrust the SAI of Croatia with the responsibility to build and keep the Network, for an initial period of 3 years, until the next EUROSAI Congress, with the support of the SAI of Portugal as to ensure the full use of the TFA&E repository of knowledge.*
e) *Encourage the use of the Project Groups' approach for concrete and limited tasks to be undertaken in the field of ethics, integrity or anti-corruption, according to the interest and willingness of a SAI or a group of SAIs.*

Recalling the initiatives and achievements of the TFA&E, during 2012-2021[3]; *considering* the recognition of European SAIs and external partners regarding the value added by the TFA&E; *being aware* that the prevention of fraud and corruption and the promotion of an integrity approach in the use of public funds are areas of growing interest for citizens, SAIs, INTOSAI, other Regional Organizations and international organisations, and, therefore, should be kept high in the agenda of EUROSAI, notably in the current emergency situation; *recognising* that this awareness and concern is key to the role of SAIs in leading by example and in enhancing citizens' trust; *taking into account* that European SAIs, notably those that have been Members of the TFA&E, indicated that a permanent platform should exist to allow a continuous exchange of information, documentation and experiences; *whereas* the current members of the TFA&E recognised and suggested that the tasks included in the mandate of the Task Force should be considered as fulfilled and that there would be an advantage in changing the format and dynamics of the approach to integrity in EUROSAI; and, *realising and welcoming* the willing and offer of the SAI of Croatia to take forward activities in this domain, the XI EUROSAI Congress, **considered the activity of the EUROSAI TFA&E as closed and decided to keep the Audit & Ethics subject as a topic in the Agenda of EUROSAI.**

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[3] Notably: Raising awareness on the importance of ethics as a pillar of SAIs and on the role of SAIs in promoting integrity in public sector and auditing ethics related issues; Identifying and sharing knowledge, experiences and good practices; Organising seminars, workshops and meetings with SAI's staff; Monitoring SAIs' ethical frameworks and practices; Contributing to the ISSAI 130 review; Developing and disseminating guidance for SAIs on how to implement ISSAI 130, notably on how to build ethics control systems, on how to design and deliver ethics training and on how to assess ethics management; Supporting European SAIs in implementing ethics control systems; Developing, disseminating and testing guidelines for SAIs on how to audit ethics/integrity; Enhancing cooperation on ethics related topics with INTOSAI, IDI, other Regional Groups of SAIs and external partners, such as OECD, ECIIA, Council of Europe and Transparency International, as well as Universities and other national bodies; Launching a video competition «*Ethics Matters*»; Maintaining a website and publishing articles.

For that purpose, a **«*EUROSAI Network for Ethics*» was established,** to be in charge to manage an on-line permanent platform that keeps SAIs informed and collaborative in the topics of SAIs' ethics management and SAIs' integrity awareness raising, ethics related audit initiatives and anti-corruption role.

The «*EUROSAI Network for Ethics*» would be a permanent on-line collaboration activity, managed on a voluntary basis, kept as a responsibility of a SAI or a group of SAIs, considering all the other EUROSAI SAIs as users and potential suppliers.

EUROSAI Congress entrusted the SAI of Croatia with the responsibility to build and keep the *Network*, for an initial period of 3 years, until the next EUROSAI Congress, with the support of the SAI of Portugal as to ensure the full use of the TFA&E repository of knowledge.

1.2.2. Objectives

The objectives of the Network on Audit and Ethics are as follows:

- to focus on information and activities related to SAIs' ethics management and to SAIs' integrity awareness raising, ethics related audit initiatives and anti-corruption role;
- to keep an updated information flow on those subjects, by collecting and disseminating studies, guidelines, reports, articles, information on conferences, seminars, workshops and training courses and any other related tools;
- to encourage EUROSAI members to share relevant information, development initiatives and experiences on the mentioned topics with the SAIs' community;
- to explore and share knowledge in areas that may raise new ethical concerns, such as the use of artificial intelligence, data protection and whistleblowing;
- to promote an active liaison and cooperation on these subjects, acting as a broker and contact point and putting SAIs with shared interests in contact with each other or with external partners;
- to facilitate contacts that may provide support to SAIs, as they may request, regarding the reinforcement of ethics control systems or the promotion of integrity in the public sector organisations;
- to keep liaison activities with INTOSAI, IDI, INTOSAI Regional Organisations, OECD, ECIIA and other relevant partners on the topics at stake, and
- to identify and encourage EUROSAI SAIs to conduct activities for strengthening their capacity or role in the identified areas.

1.3. Link with EUROSAI Strategic Plan

1.3.1. Strategic Goal / portfolio to which is linked

The Network contributes to the implementation of both Strategic Goals. For Strategic goal 1, it is objective 1.3 „To facilitate the sharing of knowledge and experience within EUROSAI and with external stakeholders and partners ", and for Strategic goal 2 that are objectives 2.1 and/or 2.2.

The Network for Ethics also contributes to the implementation of all portfolios (Portfolio on overall governance and culture, Portfolio on communication, Portfolio on relations with non-SAI stakeholders, Portfolio on relations with INTOSAI and its Regional Organizations, Portfolio on emerging issues and forward thinking).

1.3.2. No duplication or overlaps with other activities of the EUROSAI Strategic Plan

2. Structural provisions

2.1. Lead SAI(s)

SAI CROATIA (Chair)

SAI PORTUGAL (Vice-chair)

2.2. Contact person(s)

SAI CROATIA:
Lidija Pernar: lidija.pernar@revizija.hr
Marijana Verovic: marijana.verovic@revizija.hr

SAI PORTUGAL:
Helena Abreu Lopes: HelenaAbreuLopes@tcontas.pt
Conceicao Ventura: ConceicaoVentura@tcontas.pt

2.3. Participants

The Network is open to all EUROSAI members.

3. Technical and procedural provisions

3.1. Intended Results & Benefits to EUROSAI Membership

In accordance with the EUROSAI mission and vision, objectives and principles, the EUROSAI Network on Ethics intends to contribute to EUROSAI community by:

- promoting the theoretical and practical study of the problems and matters relating to SAIs' ethics management and SAIs' integrity awareness raising, ethics related audit initiatives, and related disciplines;

- collaborating in the exchange of techniques and knowledge considered to be of interest of the EUROSAI members, especially in the area of SAIs' ethics management and SAIs' integrity awareness raising, ethics related audit initiatives and other related initiatives;

- promoting and facilitating the exchange of information and documentation among EUROSAI members in relation to SAIs' ethics management and SAIs' integrity awareness raising, ethics related audit initiatives and other related initiatives;

- making effort to achieve greater understanding of problems and matters relating to the audit of public finances, and especially in the part relating to SAIs' ethics management and SAIs' integrity awareness raising, ethics related audit initiatives and other related initiatives.

3.2. Duration & Key Milestones

The Network on Ethics has been established for an initial period of three years, until the next EUROSAI Congress.

April 2021 – Network approval by the XI EUROSAI Congress

June 2021 – Approval of ToR

July 2021 – Interested EUROSAI members confirm participation

July-October 2021 – Designing Platform, collecting and sharing stakeholders' inputs, relevant documents, knowledge, experience and information.

3.3. Working Methods

The Network will work virtually. All SAIs will be invited to share their plans, relevant documents and information, experiences and good practice.

The Network supports and facilitates innovative working methods. We acknowledge that SAIs can take different approaches depending on their mandates and strategic priorities. Cooperation should be as effective as possible and therefore we aim to work mainly virtually to achieve operative mind-set.

Use of the PGs' approach to undertake concrete and limited tasks that a group of SAIs are willing to perform will be encouraged.

These specific tasks could be identified by SAIs themselves or by the Network responsible and could relate with:

- Rolling-out IntoSAINT.
- Organising an event, a seminar or a training course.
- Preparing, testing or updating a guidance or a methodological document.
- Conducting cooperative audits with interested SAIs.
- Etc.

3.4. Necessary Resources

SAI Croatia and SAI Portugal will provide staff to coordinate the Network. Participating SAIs will be asked to contribute where appropriate.

SAI Croatia will also provide all necessary technical equipment needed for functioning of the platform.

The Network's website development is envisaged to be partially financed from EUROSAI budget upon a financial request to be submitted to the Secretary General in accordance with the EUROSAI Financial Rules (Rule 40, Annex III). The remaining financing will be borne by the SAI Croatia as the Network leader.

3.5. Reference documents and materials

There are a number of existing documents and reports from a variety of stakeholders which may help the Network achieve the objectives detailed in this TOR. An early Network activity will be to assess the value of existing materials from EUROSAI TFA&E.

4. Accountability provisions

The Network is established to achieve the objectives set out in this ToR. The Network will report on progress and results to the EUROSAI Governing Board via the Strategic Goal 1 Portfolio, following the procedure defined in the General Procedures for the ESP.

The leading SAIs of the Network will coordinate the work and develop an agile process that adds value to the EUROSAI community. The participants of the group will commit and contribute to the activities they find most relevant to their work.