

ISSAI 30

The review process

Main issues on the table

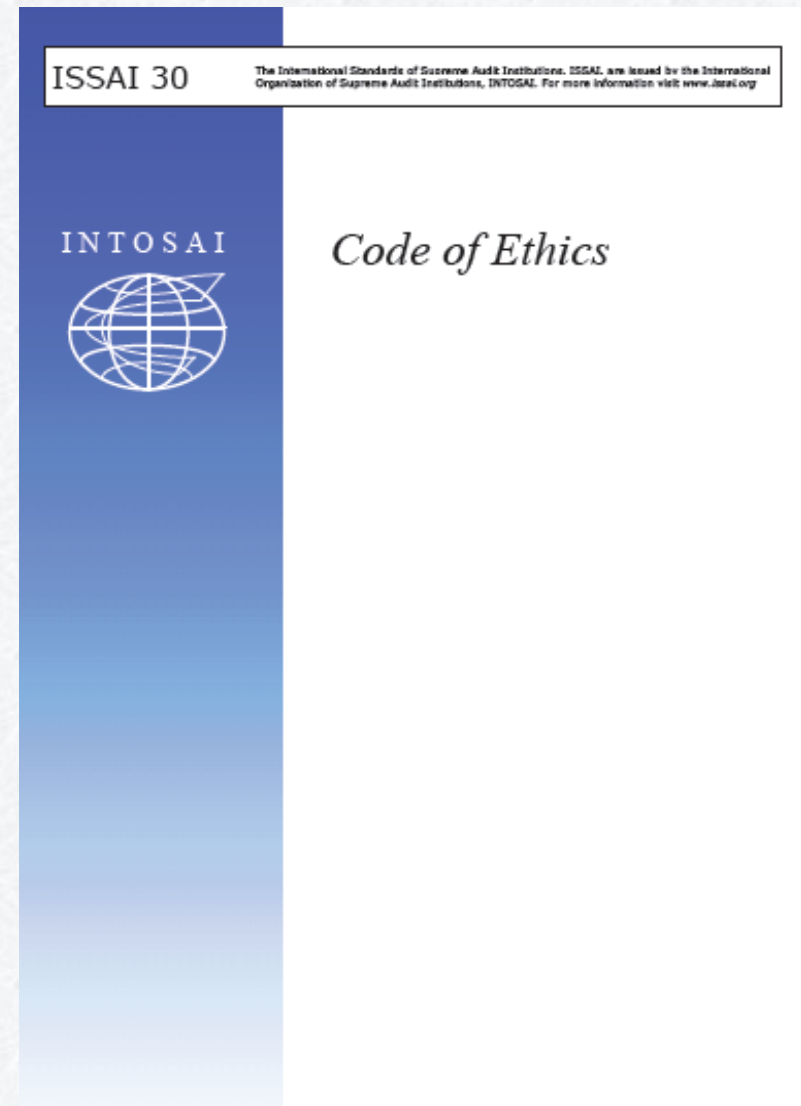
A view from one partner of the process: The
EUROSAI TFA&E, chaired by the SAI of Portugal

In line with the rules of INTOSAI, ISSAI 30, the **INTOSAI Code of Ethics**, is due to be reviewed at least every 15 years.

So, as it was endorsed in 1998

It as reviewed (2013-2016)

and a new version was approved in 2016 (Abu Dhabi INCOSAI)



MAIN MILESTONES OF THE REVIEW





June 2013

The **PSC** decides that it is time to build on the need of **reviewing ISSAI 30**

Early 2014

A small group of SAls is entrusted to do the initial assessment, through a comprehensive **SURVEY** targeted to INTOSAI members.

So, leaded by the **NIK** (SAI of Poland), the SAls of Indonesia, Portugal, the UK and the USA,

Prepared, launched and analysed the survey



Overall conclusions of the Survey

The survey results indicate a need for ISSAI 30 revision, that should focus on:

shifting from the perspective of an individual auditor to the SAI perspective, with due consideration to stakeholders

emphasising the importance of ethical culture and principles as a means of preventing unethical behaviour,

consistency with other ISSAIs

reviewing fundamental principles and core values;
considering consistency with IFAC principles and
additional public sector principles





Overall conclusions of the Survey



The survey results indicated a need for ISSAI 30 revision, that should focus on:

considering monitoring compliance with ethical requirements, and inclusion of **ethics management and control**

updating **terminology**

improving clarity of the document through consistent **headings/ numbering/paragraphs** etc.

The survey also showed the need for **additional guidance** and examples to supplement ISSAI 30.



May 2014



On the basis of **survey results**, and adding the outcomes of works of EUROSAI Task Force on Audit & **Ethics**, the group issued a recommendation on the **need to revise ISSAI 30** and submitted it to the PSC Steering Committee



After the **OK** of **PSC** to go on reviewing ISSAI 30

With the efforts of our Chair – **POLAND** – the team was then well enlarged, aiming to represent all the INTOSAI regions.

EUROSAI



Albania, Hungary, The Netherlands, Poland, Portugal, United Kingdom

Chile, Mexico

Indonesia

Kuwait,

Namibia, South Africa

New Zealand

United States of America

And an
observer
from IESBA



An then the **hard work** began!!!



The enlarged Team met in beautiful Warsaw /Poland for a bunch of times: October 2014, February 2015, June 2015, September 2015and one final time in precious Cracow





During our vivid discussions, we confirmed that **ETHICS** is a very **sensitive issue**, with no black and white decisions!

Culture and
customs

Regulatory
frameworks

Priorities





The group reached easily an agreement on the **five fundamental** values to frame INTOSAI code of Ethics

1.	INTEGRITY
2.	INDEPENDENCE AND OBJECTIVITY
3.	COMPETENCE
4.	CONFIDENTIALITY
5.	PROFESSIONAL BEHAVIOUR



Yet the discussions **continued**



We were much better looking



As you can see ...

MAIN ISSUES ON THE TABLE

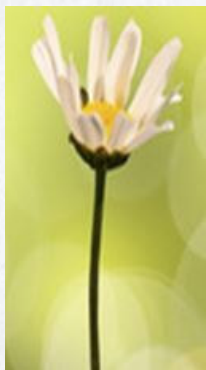
Public audit **versus** private audit
Commonalities and differences

STAFF
ROTATION:
A headache

Institutional Requirements: Is
INTOSAI asking too much from SAIs?

The tension between Confidentiality
and transparency

How to balance **political neutrality**
with **civil rights**



The process of drafting a new ISSAI 30 was extremely participative and democratic

Early 2015

drafts of individual sections of the document developed by groups of two SAs (**First Authors**)

February 2015

discussion on the very first draft and proposals for changes

March 2015

First Authors introduce changes, considering the results of the discussions

April 2015

groups exchange sections and give a fresh look – further changes (**Second Authors**)

May 2015

compilation and editing (including proofreading by native speakers)

FINALLY



September
2015

final draft ready for approval will be submitted to the PSC Steering Committee

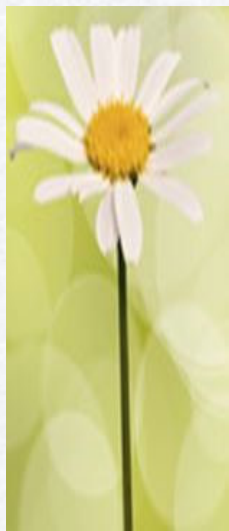
October
2015

exposure draft of ISSAI 30 posted on www.issai.org

December
2016

Ultimate goal: revised ISSAI 30 approved by XXII INCOSAI in Abu Dhabi

Meanwhile we received also valuable inputs from the PSC, that made us reflect on some issues again!



Revised ISSAI 30: basic differences with the present version

ADRESSEE

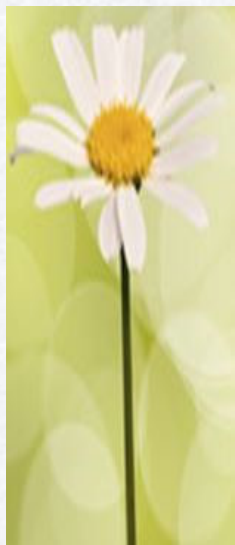
The Code of Ethics is intended for all those who work for, or on behalf of, a SAI

- This includes the head of the SAI, its members in the case of collegial models, any management positions and all individuals directly employed by, or contracted to conduct business on behalf of, the SAI

General responsibilities of SAs in the area of ethics

Ethical behaviour of individuals is also influenced by the environment they work in, so the SAI is responsible for promoting and safeguarding ethics and ethical values in every aspect of the organisation and its activities.

- The Exposure draft of ISSAI 30 also addresses the SAI's role in this matter, including a description of the SAI's overall responsibilities in what relates to ethics



Revised ISSAI 30: basic differences with the present version

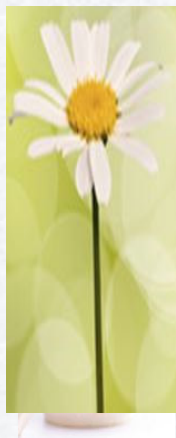
VALUES:

Old ISSAI
30

- Integrity
- Independence
- Objectivity
- Impartiality
- Professional Secrecy
- Competence

New ISSAI
30

- Integrity
- Independence and Objectivity
- Competence
- Professional behaviour
- Confidentiality and Transparency



Revised ISSAI 30: basic differences with the present version

Paragraphs	STRUCTURE	
1 - 7	Preamble	
8 - 10	Overall approach to Ethical behaviour	Fundamental values
		Risks and Controls
11 - 22	Overall responsibilities of SAIs	Requirements
		Explanation
		Application guidance
23 - 76	Ethical values (Treated separately)	Requirements at the level of SAI
		Requirements at the level of SAI Staff
		Explanation
		Application guidance at the level of SAI
		Application guidance at the level of SAI staff

From ISSAI 20 preamble

Supreme Audit Institutions (SAIs) are held to high expectations and must earn the trust of stakeholders (citizens, legislative, and executive bodies, auditees and others).

Therefore, they need to act as model organisations and inspire confidence and credibility.

As ethical behaviour is a key component in establishing and sustaining the needed trust and reputation, a code of ethics is a prerequisite for the functioning of a SAI.