MANAGING THE SYSTEM OF ETHICS AND INTEGRITY IN ALBANIAN SUPREME AUDIT INSTITUTION

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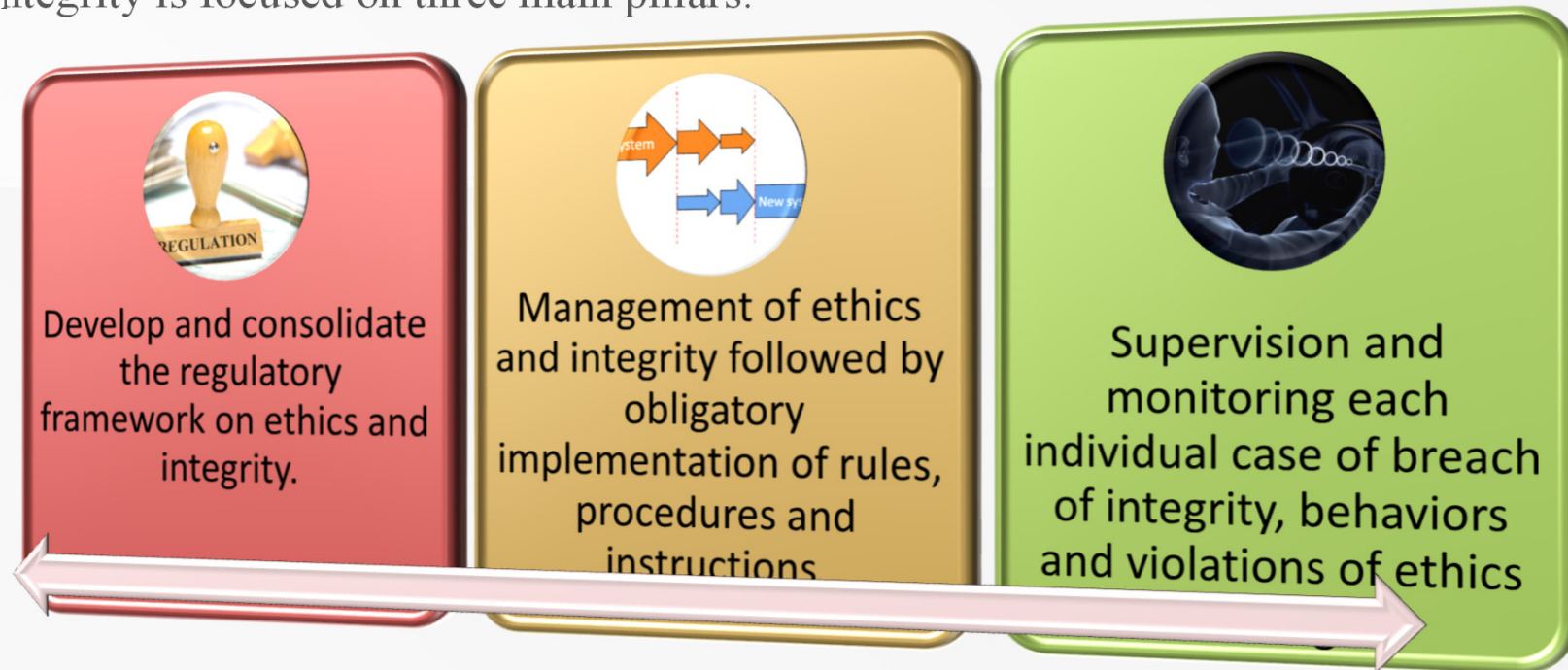**SUPREME AUDIT INSTITUTION of ALBANIA**

AN OVERVIEW

The ALSAI policy for setting up and implementing an effective system of ethics and integrity is focused on three main pillars:

Develop and consolidate the regulatory framework on ethics and integrity.

Management of ethics and integrity followed by obligatory implementation of rules, procedures and instructions

Supervision and monitoring each individual case of breach of integrity, behaviors and violations of ethics

INSTITUTIONAL INTEGRITY POLICIES

- Preventing an environment of corruption in ALSAI and cultivating an ethical culture and integrity;
- Installation of an effective integrity continuous system, part of the daily management of the SAI institution and not a temporary policy;
- Integrity issues in SAI, are considered a daily standard component to all auditors o ALSAI;
- Supervision and monitoring investigation for the prevention of incidents of violations against corruption or integrity
- Promoting integrity has been the focus of management activity. Philosophy "Ton at the top" is conducted under the principle of "leading by example"

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THE ETHICS INFRASTRUCTURE AND INTEGRITY IN THE SAI

- Based on the requirements of ISSAI 30 "Code of Ethics INTOSAI", the ALSAI has developed a Professional Code of Ethics. The new Code of Ethics for ALSAI (approved on April 30th 2015);

- Decision o the ALSAI Chairman , no. 27 and 28 , date 20/04/2018,on the approval o the Code of the Ethics for the Chairman and Top Management in ALSAI»

- Statement of the ALSAI Chairman on the closure of his mandate (December 2018)

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APPLICATION OF THE SELF-ASSESSMENT INSTRUMENT OF INTEGRITY INTOSAINT

- ALSAI is listed among the first Supreme Audit Institutions that voluntarily since 2014, has adopted the self-assessment of integrity methodology (INTOSAINT), considered one of the innovative and effective methods, with impact on growth expectations in the development of integrity policies.

- SAI has continued to apply the self-assessment instrument in the coming periods reflecting the performance of institutional activity in terms of both performance and identifying vulnerable areas, assessing the controls focusing on the future.

- As result of the application of this instrument, the ALSAI has taken action against employees who have resulted in violation of the rules of ethics and integrity.

VERIFICATION OF PRIVATE INTERESTS DECLARATIONS OF ALL SAI EMPLOYEES / DIRECTORS.

- ALSAI expressed the institutional will to strictly apply the decisions will be addressed by HIDAACI at the end of this process or even the different findings that may result for leaders / SAI auditors, in view of the completion of the evaluation framework of the declaration forms.

- From HIDAACI checks were carried out based on requirements of the Law no. 9049, dated 10.4.2003 "On the declaration and audit of assets, financial obligations of elected officials and public servants" as amended, and the completion of this process did not result in a violation of the regulatory framework.

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ORGANIZATIVE STRUCTURES RELATED TO ETHICS, INTEGRITY AND WHISTLEBLOWING POLICY

❑ In November 2014, based on the best practices in the field, ALSAI established a special unit as Sector Ethics and Integrity, responsible for investigating violations against the integrity.

❑ The activity of this structure is focused on:

➢ monitoring the implementation of the requirements of the Code of Conduct

➢ communicating about issues of ethics, training and resolution of ethical dilemmas and integrity

➢ Investigating and periodic checks for violations of ethics and integrity rules etc.

ORGANIZATIVE STRUCTURES RELATED TO ETHICS, INTEGRITY AND WHISTLEBLOWING POLICY

➢ In December 2014 the Ethics Commission was created which functions as an ad-hoc organization of professional judgment and covers issues relating to ethics and integrity.

➢ The Commission is composed of three members, the Head of the Ethics Department and integrity, an auditor who has worked 25 years in the SAI, who is retired but his professional curriculum has demonstrated the high profile of ethics and integrity in the office conduct, as well as a SAI auditor who is nominated by the direct vote of the staff of the institution.

➢ In order to fulfill the objective that the ethical behavior of ALSAI's staff to be an integral part of any auditor activity, the activity of the committee and sector of ethics is focused on addressing cases of non-compliance with basic standards and requirements of the Code of Ethics.

ORGANIZATIVE STRUCTURES RELATED TO ETHICS, INTEGRITY AND WHISTLEBLOWING POLICY

➢ In January 2017 was set up the responsible structure "for signaling and protection of whistleblowers" which consists of three members conform to the definition of Law No. 60/2016 "For signaling and protection of whistleblowers". In November 2017 the responsible entity has conducted the presentation of the activity ''for signaling and whistleblowers in Albania" with the SAI staff.

➢ Order no. 219, dated 31.12.2017 of the Chairman of ALSAI has adopted special internal regulation on the procedure of the administrative investigation of signaling, mechanisms for protecting confidentiality and protection from retaliation at the Supreme State Audit. In fulfillment of the obligations of law no. 60/2016, dated 02.06.2016 "On signaling and protection of whistleblowers' the responsible unit in HIDAACI reports periodically on its activity.

Protocol of investigation of breaches of ethics and integrity and internal guidelines

➢ In the internal regulations of the organization and functioning of the institution, there are procedures which tend to consolidate and strengthen the control system of employee integrity during the audit activity;

➢ On annual basis, we have issued guidelines for "direct communication to improve the audit work and increase the implementation of INTOSAI standards in ALSAI", creating in this way concrete spaces for expressing "positive criticism" from the bottom-to the-top or giving opinions, suggestions for improving the work of the institution.

➢ The issuance of these guidelines is a "tool" for effective promotion of integrity to encourage employees to discuss problems, management evaluation or even the suggestion of different opinions.
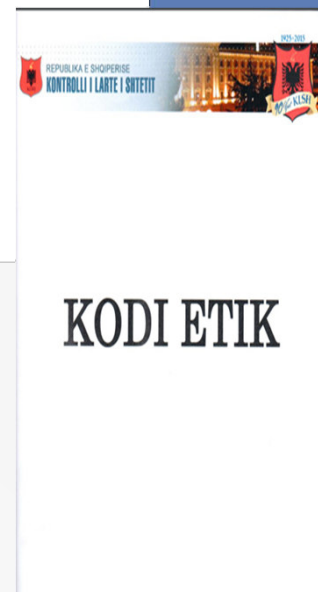
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COMMUNICATION : publications and training for Ethics and Integrity

PERFORMANCE MEASUREMENT FRAMEWORK (PMF) DOMAIN B: INTERNAL GOVERNANCE AND ETHICS

- In compliance with ISSAI 20, Principle 4 ALSAI is doing all efforts to apply high standards of integrity and ethics for staff of all levels. SAI-4 measures the elements that are fundamental to a system of internal control are adopted and aplied in ALSAI. The ALSAI's system for achieving this is measured in SAI-4.

- ALSAI has taken actions and implemented rules and procedures ensuring a practice of high integrity the organisation, clearly communicating what is expected from staff and facilitating an environment characterized by functioning internal control systems and ethical behaviour among staff.

- Top management are required to promote these standards by demonstrating an appropriate tone-at-the top, and take initiatives to encourage high-quality work and a strong culture of internal control.

(i) Mjedisi i kontrollit të brendshëm- Etika, Integriteti dhe Struktura Organizative		
Për të promovuar sjelljen etike dhe mjedisin e fortë të kontrollit, Institucioni duhet:		*realizuar*
a	Të ketë një Kod Etike	4
b	Kodi i Etikës të shprehë "rregulla dhe kode të etikës, politika dhe praktika që janë në përputhje me ISSAI 30". Si minimum të ketë kritere të cilat adresojnë transparencën, konfidencialitetin, sjelljen profesionale kompetente, objektivitetin dhe pavarësinë dhe integritetin e audituesve	4
c	Rishikimi kodit të etikës të paktën një herë në dhjetë vjet për të siguruar që është në linjë me ISSAI 30.	4
d	I kërkon të gjithë stafit që gjithmonë të angazhohet në një sjellje konsistente me vlerat dhe parimet e shprehura në kodin e etikës dhe të sigurojë udhëheqje dhe mbështetje për të lehtësuar kuptimin e tij.	4
e	Të kërkojë që çdo pjese që i adresohet për të realizuar punën në përgjegjësi të saj të përkushtuar ndaj kërkesave etike të institucionit	4
f	Të bëjë publike kodin e saj të etikës	4
g	Ku është e nevojshme dhe e përshtatshme, plani strategjik përfshin masa të projektuara për të forcuar mjedisin institucional të institutit	4
h	Të ketë një strukturë organizative të aprovuar që siguron që përgjegjësia është e shpërndarë qartë për të gjithë punën e e kryer nga institucioni	4
i	Kanë përshkrime të qarta të punës të cilat mbulojnë përgjegjësitë kryesore përgjatë organizatës	4
j	Të sigurojë që stafi është i qartësuar në detyrat dhe linjat e tyre të raportimit	4
k	Ka theksuar ndjeshmërinë dhe nivelin e elasticitetit ndaj dhunimeve të integritetit, përmes përdorimit të mjeteve si intoSAINT apo mjete të ngjashme, në pesë vitet e fundit	4
l	Të aplikojë standarde të larta të integritetit për stafin në të gjithë nivelet përmes adoptimit të një politike integriteti të bazuar në një vlerësim duke përdorur intoSAINT apo mjete të ngjashme	4

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EXPERIENCE GAINED FROM IDI – SAI FIGHTING CORRUPTION

SAI FIGHTING CORRUPTION

IDI INTOSAI DEVELOPMENT INITIATIVE

Presentation on Anticorruption Draft Audit report

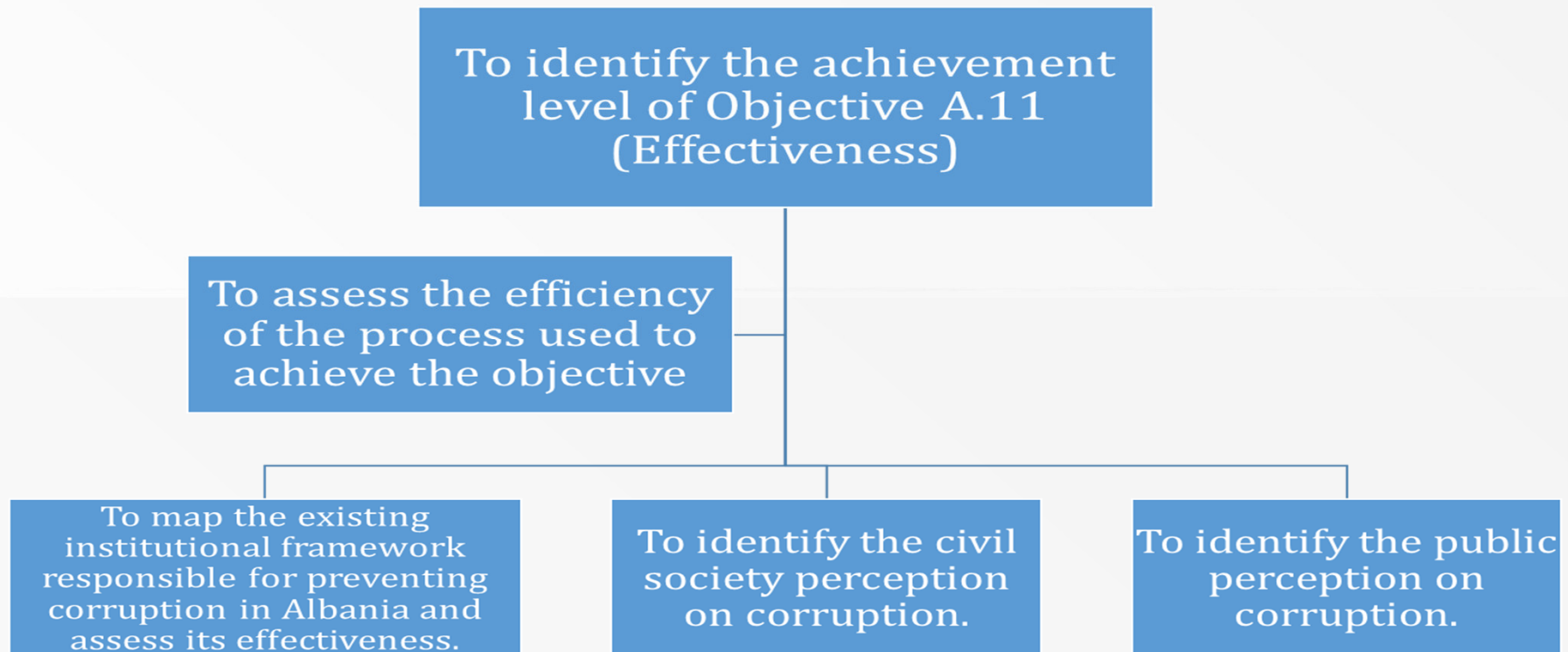**Cooperative Performance Audit of Institutional Framework for Fighting Corruption**

EXPERIENCE GAINED FROM IDI – SAI FIGHTING CORRUPTION

PERFORMANCE AUDIT OBJECTIVES

To identify the achievement level of Objective A.11 (Effectiveness)

To assess the efficiency of the process used to achieve the objective

To map the existing institutional framework responsible for preventing corruption in Albania and assess its effectiveness.

To identify the civil society perception on corruption.

To identify the public perception on corruption.

EXPERIENCE GAINED FROM IDI – SAI FIGHTING CORRUPTION
Main message (s) of the audit

➢ ISAC and AP suffer a poor objectives' planning, non-SMART sub-objectives, lack or fictitious consultation with stakeholders, lack of methodology that translates strategic objectives into operational ones.

➢ The NACC, with key role in drafting, implementing and monitoring ISAC and AP, has not fulfilled its crucial duties and responsibilities, resulting in an unowned, unmonitored and therefore unreported strategy's achievements and failures.

➢ The Prefectures, as one of the main parties in the implementation of the Strategy, are non-active, failed to report within the deadlines, also lacked the quality of reporting which resulted in the absence of fruition of their final tasks.

➢ The role of the civil society, which is a fund receiver for anti-corruption issues, has been almost inexistent. It turns out to be not involved in the ISAC drafting process, and in the fight against this phenomenon. Therefore it has not contributed as an added value to this Strategy.

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INTOSAI

EXPERIENCE GAINED FROM IDI – SAI FIGHTING CORRUPTION

Main recommendation

➢ To ensure:

▪ Efficiency and effectiveness of A.11 and strategy

▪ The continuing of implementation even in case of transfer of the role of the NACC, or other roles

ALSAI recommends the establishment of the National Anti-Corruption Agency (NAA)

➢ NAA should be:

▪ Directly supervised and monitored by the Prime Minister Institution

▪ Responsible for re-designing, re-executing and further monitoring of the ISAC and AP

▪ Mandated according to a new special law, regarding strategic documents, institutions involved and etc.

PERFORMANCA KLSH 2017

INTOSAI

EXPERIENCE GAINED FROM IDI – SAI FIGHTING CORRUPTION

IFFC audit- what worked and challenges

✓ Communication and group collaboration

✓ Post audit for the former NACC

✓ Pre audit for the actual NACC

✓ Auditing before the EC's evaluation report

✓ The experience from participating in the program

✗ The inexistent institutional framework on fighting corruption
✗ There is no new framework created yet.
✗ There is no institution that ensures the continuity of the process when the role of NACC is transferred.
✗ Lack of evidence about the main issues
✗ Cooperation with the auditee
✗ Field not previously audited
✗ Field experts are missing

EXPERIENCE GAINED FROM IDI – SAI FIGHTING CORRUPTION

Lessons learned

➢ The change should start from the mentality, denouncing corrupt acts does NOT mean spying

➢ Corrupt acts must be denounced

➢ Fighting corruption should be a common war.

➢ Co-operation among the key institutions of the strategy is crucial

➢ The exchange of experiences between SAIs helps with the reflection over the tools to fight corruption

➢"**Experentia Mutua Omnibus Prodest**"

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ROAD FORWARD ....

- Maintaining a strong integrity environment and a sustainable system with high moral and ethical values is now one of the objectives that ALSAI has already put in place for several years and it will continue to be under the focus of the future development.

- The new ALSAI Development Strategy for 2018- 2022 integrates under the Goal 2 the Strategic Objective 2.6: Integrity as a fundamental value in ALSAI

ROAD FORWARD ....

- installation of an effective ethics infrastructure in public sector institutions.

  – Institutional Contribution: ALSAI has established an effective system for integrity control and an effective ethics infrastructure and contributes through leading by example in promoting integrity in the public sector and consequently good governance.

  – Strategic Contribution: ALSAI seeks to include audit programs, conducting audit of integrity and ethics.

  ▪ SAI intends to carry out monitoring of the functioning of the integrity control systems as well as conducting training and increasing knowledge on INTOSAINT methodology, for institutions and public sector entities and internal audit bodies.

KLSH - agjent i Kuvendit - shërbestar i qytetarit
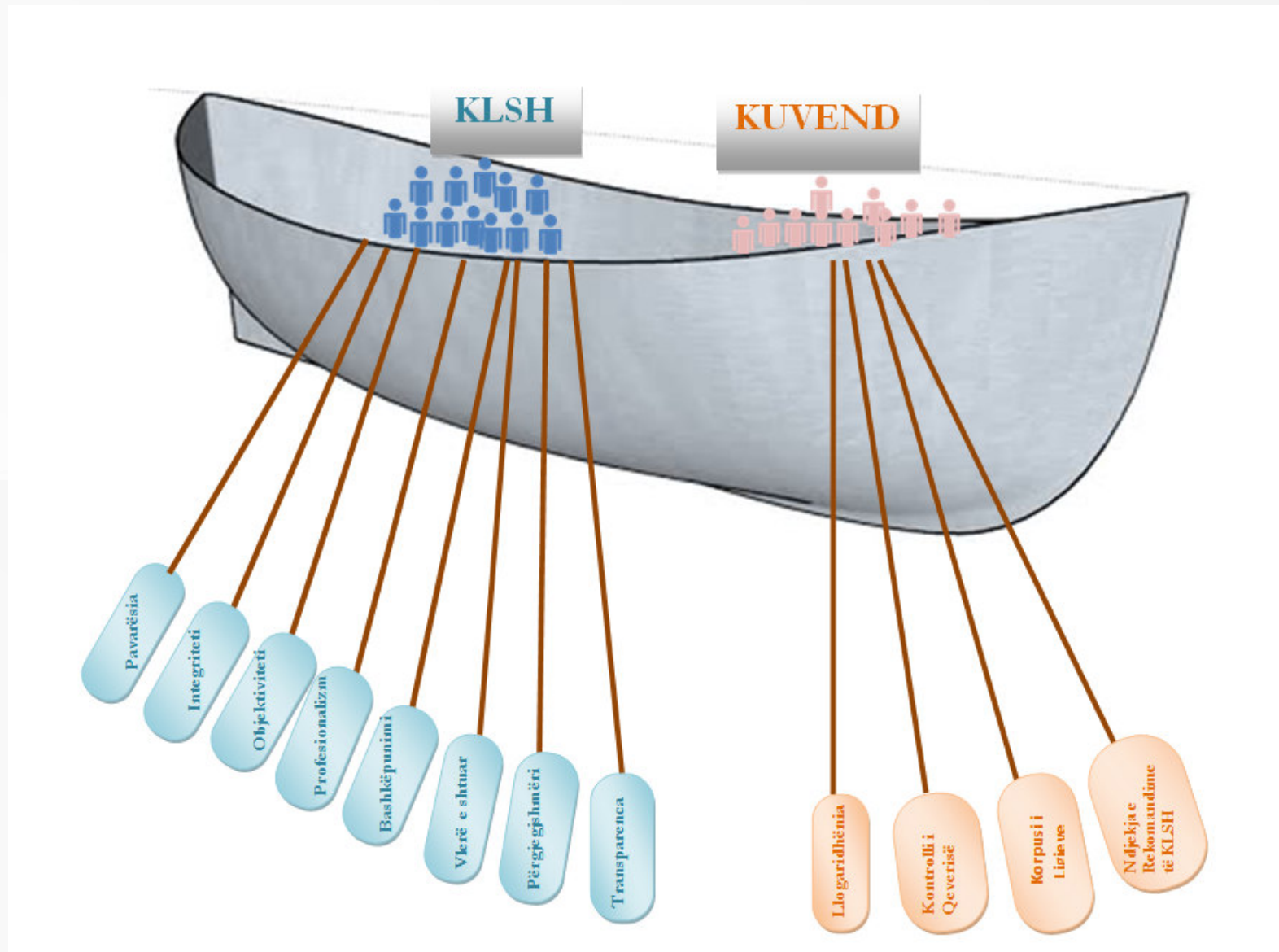
thankyou

In Albania…….. Next time

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