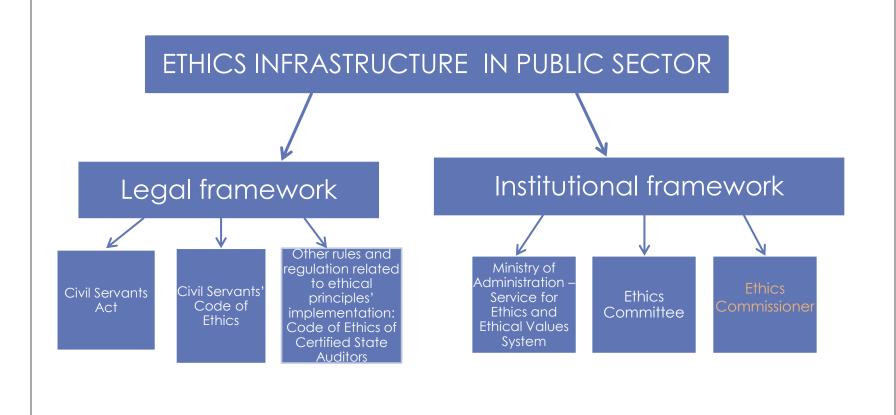
"Enhancing Ethics within SAIs" (Lisboa, 29-30 January 2014)

ETHICS COMMISSIONER CONCEPT WITHIN CROATIAN STATE AUDIT OFFICE

The State Audit Office of the Republic of Croatia



Why Ethics Commissioner?

o prescribed by the Civil Servants' Code of Ethics → for all public sector bodies

o purpose:

- to increase accountability of civil servants in ethical principles' implementation
- to promote ethical behaviour in mutual relations between civil servants within institution, as well as in relations between civil servants and the public (citizens)

Ethics Commissioner - appointment and qualifications

- Appointed by the Head of Institution, out of civil servants (not fined for violation of official duties) → in SAO: AG, 2011
- Decision on the appointment shall be submitted to the Central Body in charge of civil servants' affairs (Ministry of Admin.) within 15 days
- Possible to appoint more then one E. Commissioner and to appoint Deputy Ethics Commissioner
- E. Commissioner shall complete training programme in Ministry of Admin. (1 day; theoretical + practical part)

Ethics Commissioner - role

- Collects complaints from civil servants (auditors and other SAO employees), citizens and other legal persons (auditees), on unethical behaviour and misconduct of institution's employees
 - o in written or oral form,
 - o by free phone line,
 - o by e-mail.
- Keeps records on collected complaints
- Conducts proceeding of examination of the merit of complaints.

Examination of the merit of complaint

- within **30 days** of receiving complaint the Commissioner collects evidence whether indications are true and justifiable
- prepares **report** for the Head of Institution on conducted procedure, with the **proposal** on taking appropriate measures and activities
- prepares a **reply to complaint**, to be submitted to the Head of Institution,
- Head of Institution (AG) shall reply to complaint in **60 days**' term and inform the Complainant on the undertaken actions
- If the Complainant is not satisfied with Head's of Institution reply, he/she has the right to send complaint to independent Ethics Committee, within 30 days.

Ethics Commissioner - protection

- during examination of merit of complaint, Head of Institution shall **release E. Commissioner** (on his/her request) from performing his/her regular duty.
- in case of unethical behaviour of other civil servants towards the E. Commissioner, he can submit a complaint and inform the Ethics Committee;
- Ethics Committee shall reply to E. Commissioner within 60 days and inform the Head of institution about the case.

Ethics Committee:

- → independent body for **promotion** of ethical principles and standards in public sector
- \rightarrow tasks:
- o replies to complaints ...
- o conducts examination of merit of complaints
 - complaints on Ethics Commissioner's behaviour,
 - complaints on behaviour of Head of Institution (who is civil servant),
 - complaints of E. Commissioner on unethical behaviour of other employees towards him/her.
- monitors implementation of regulation in area of civil servants' behaviour and proposes changes and amendments
- gives opinion related to implementation of ethical principles and standards.

Ethics Commissioner - results

- since 2011 several cases dealt with:
 - misunderstanding between audit team members
 - misunderstanding between SAO's employees and their superiors
- Complaints submitted only to the E. Commissioner; no complaints to Ethics Committee → all cases solved successfully!

Ethics Commissioner - perception

Past and Present:

- all employees familiar with E.C. appointment (name/contact)
- All employees familiar with E.C.'s role and their own rights
- E.C. concept successfully implemented

Future - possibilities:

- E.C. performs regular duties and E.C.'s duties in parallel, which causes:
 - → additional burden
 - → increased risk of slow solving of complaints.
- Inadequate education of E.C.
 - → need for additional and continuous education,
 - → need for regular meetings of E.C.s and/or WSs
 - → need for development of education model within the institution
- possibility for development / professionalisation of the new function!

Another possibility: ISSAI 30

o Improvements of ISSAI - possible

- (1) Clearly define purpose of the Code of Ethics (as a framework for national/SAI Codes of Ethics)
- (2) Clearly systemize values, rules, principles, standards of conduct, threats, implementation, education and checking
- (3) Develop glossary.

Development of specific guidelines - possible

- → possible to elaborate implementation of (2) in auditors' daily work into more detail through specific guidelines
- → good example: Manual with Code of Ethics for Professional Accountants developed by IESBA International Ethics Standards Board of Accountants.

Thank you for attention!

Q/A

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