



EUROSAI

Task Force
on Audit & Ethics



HOW TO IMPLEMENT ISSAI 130 (INTOSAI CODE OF ETHICS) - PART III

Ethical SAI

Maturity Model

*Guidance for
Supreme
Audit
Institutions*

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Foreword

Among many other activities conducted since its establishment, in 2011, the EUROSAI Task Force on Audit and Ethics (TFA&E) published, in 2017, guidance on “*How to implement ISSAI 30*”. The guidance was meant to provide support to Supreme Audit Institutions (SAIs) in enhancing their ethical frameworks, in order to effectively implement the revised ISSAI, as approved in 2016.

The guidance was presented as an open document that could be further enriched with the ideas, experiences and lessons learned by SAIs as they implement or adapt to the redrafted standard.

Based on the expectations of member SAIs, the TFA&E Working Plan 2017-2020 envisaged the finalisation of an Ethics Training Model and an Ethics Maturity Model for SAIs, based on ISSAI 130 (as reclassified by INTOSAI). The model «**Ethical SAI**» is now suggested as a development of the mentioned TFA&E guidance. Therefore, it is offered as Part III of the 2017 guidance.

The «**Ethical SAI**» maturity model completes that guidance as to provide SAIs with a tool to encourage a step-by-step approach in implementing ISSAI 130 requirements, to define levels of compliance with the ISSAI and to offer SAIs a vision on how they can go even further. The tool can be used when SAIs conduct self-assessments and internal and external reviews, mainly to identify and analyse possible weaknesses and recommend measures for improving ethics management.

The Task Force expects the additional tool now provided to be of use and interest to SAIs, particularly when considered in the context of enhancements intended in their respective ethical framework and management capabilities.

Ultimately, it is a new contribute to promote that SAIs lead by example (ISSAI 12), living the principles that they expect from the audited public sector entities. As a leading ethical organisation, the SAI’s work will promote good governance and integrity in the public sector.

I express my deepest gratitude to all the members of the Task Force for their kind contributions to enrich this document, notably to the European Court of Auditors and *Tribunal de Cuentas* (Spain) that put a significant effort in its drafting.

By delivering this guidance, we trust that it will add value to SAIs and, consequently, to the citizens they serve.

The Chair of the TFA&E



José Tavares

President of *Tribunal de Contas*



Helena Abreu Lopes

Member of *Tribunal de Contas*

QUALITY AND TRANSPARENCY STATEMENT

This is to certify that the TFA&E «*Ethics Maturity Model for SAIs*» has been developed by following the *Quality and Transparency* process stated in the “**QUALITY AND TRANSPARENCY PROTOCOL FOR EUROSAI PRODUCTS AND DOCUMENTS**”, as detailed below:

- i. **Representation of the membership of the TFA&E elaborating and approving the guide:**

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The model was prepared by the task group and approved by mutual agreement of all the TFA&E members. The membership of the TFA&E is open to all EUROSAI members.

ii. External stakeholders' contribution

SAIs of Ecuador and United Arab Emirates, IDI and OECD representatives attended meetings where the subject was discussed and provided comments during discussions.

iii. Working Plan

The TFA&E «*Ethics Maturity Model for SAIs*» was included in the TFA&E Working Plan 2017-2020, as approved by the EUROSAI Congress.

iv. Openness and transparency

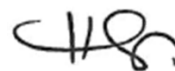
The TFA&E «*Ethics Maturity Model for SAIs*» concept and draft was developed by a task group, was discussed in plenary and in a workshop held during in the X meeting of the TFA&E and was approved by all TFA&E members, in its XI meeting. It will be sent to all EUROSAI SAIs, under the Congress procedures. It will then be made available to the SAIs' community and external stakeholders on the EUROSAI website (database of products) and on the TFA&E website. Due to its nature and function, it should be tested in practice and evaluated next to all EUROSAI member SAIs at a later stage, in order to be improved as needed.

v. Work method and exposure to comments

The TFA&E «*Ethics Maturity Model for SAIs*» was drafted in several steps. A task group, comprising TFA&E members who volunteered for the task, took the responsibility to write the draft. The concept and the text incorporated the results of several discussions and a workshop, where all members of the TFA&E could participate. The final draft was circulated to all TFA&E members in advance and was approved in the XI TFA&E meeting. Comments and suggestions were considered and incorporated at all stages of the process.

19 March 2021,

The Chair of the EUROSAI TFA&E,



Helena Abreu Lopes

Member of Tribunal de Contas, Portugal

**HOW TO IMPLEMENT ISSAI 130 –
PART III
«*Ethical SAI*»
Ethics Maturity Model for SAIs**

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INTRODUCTION

The Code of Ethics of INTOSAI (ISSAI 130) calls the Supreme Audit Institutions (SAIs) to apply monitoring controls to help mitigate ethical risks.

The SAIs may conduct self-assessments and internal and external reviews to identify and analyse vulnerabilities and recommend measures for improving ethics management and/or as a routine to ensure accountability¹. The TFA&E guidance on “*How to implement ISSAI 30*”² identified possible tools and good practices for these assessments.

As a development of the mentioned TFA&E guidance, the Working Plan 2017-2020 of the EUROSAI Task Force on Audit and Ethics (TFA&E) envisaged the preparation of an **Ethics Maturity Model for SAIs**, based on ISSAI 130.

The now presented maturity model «**Ethical SAI**» is as a tool that can be used when SAIs conduct self-assessments and internal and external reviews, mainly targeted at identifying SAI’s position and progress in ethics management, at analysing possible weaknesses in the integrity policies and at recommending measures for enhancing SAIs’ ethical frameworks and management capabilities.

It is also intended as a contribute to promote that SAIs lead by example (ISSAI 12), living the principles that they expect from the audited public sector entities. As a leading ethical organisation, the SAI’s work will promote good governance and integrity in the public sector.

The present document, describing the model «**Ethical SAI**», consists of:

1. Context, definitions and objectives
2. The different levels of the maturity model
3. Structure of the model, as regards dimensions, attributes and criteria
4. Assessment procedures and reporting results

¹ ISSAI 130 § 22.

² *How to implement ISSA 30 (INTOSAI Code of Ethics)*. EUROSAI, May 2017 <http://www.eurosai-tfae.tcontas.pt/activities/Guidance/Activities/TFAE%20Guidelines%20to%20implement%20ISSAI%20130/english-Guidelines%20to%20implement%20ISSAI%2030.pdf> . ISSAI 30 was later reclassified as ISSAI 130 <https://www.issai.org/pronouncements/issai-130-code-of-ethics/>.

Maturity models help organisations understanding their level of capabilities and the changes that enable them to improve

1. CONTEXT, DEFINITIONS AND OBJECTIVES

The «**Ethical SAI**» is inspired on the basic structures and logics of maturity models developed by other organisations.

“Maturity models are a relatively common tool, often used on a self-assessment basis, to help organisations understand their current level of capability in a particular functional, strategic or organisational area. In addition, maturity models, through the setting out of different levels and descriptors of maturity, are intended to provide a common understanding of the type of changes that would be likely to enable an organisation to reach a higher level of maturity over time”³.

OECD has developed several maturity models, such as the *Tax Debt Management Maturity Model*, in 2019. Recently, it has published the *Public Integrity Maturity Models*⁴, allowing a government or a public sector organisation to assess the elements of their integrity systems and identify where the government or organisation is situated in relation to good practice.

The SAI of Costa Rica had formerly adopted a guide and a set of tools for conducting audits of ethics in public sector organisations⁵. One of the tools is an *institutional ethics maturity model* used to position organisations as regards their institutional framework on ethics, their ethics program, their ethics environment and the way they integrate ethics in their institutional management system.

IntoSAINT also uses the concept of maturity of the integrity control system by assessing the existence, the implementation and the effectiveness of measures adopted to promote, monitor and maintain integrity.

SAIs may already use maturity models in combination with other available assessment and evaluation tools, not only in *IntoSAINT* workshops, but also in internal and external evaluations, the Performance Measurement Framework (SAI-PMF), peer reviews, etc.⁶

³ Tax Debt Management Maturity Model © OCED (2019).

⁴ <https://www.oecd.org/governance/ethics/public-integrity-maturity-models.htm>

⁵ <http://www.eurosai-tfae.tcontas.pt/activities/Guidance/default.aspx?RootFolder=%2Factivities%2FGuidance%2Factivities%2FOther%20Guidelines%20to%20audit%20ethics%2FSAI%20Costa%20Rica&FolderCTID=0x0120008D99B7F02074D545ABBAB5FB4E317572&View={65C96437-C4D6-45D1-A4DE-84A546E6DB01}>

⁶ See «*How to implement ISSAI 30 (INTOSAI Code of Ethics)*», EUROSAI, May 2017, pages 25 and 26.

Compliance with ISSAI 130 is reached through an evolutionary improvement process

Objectives of the «Ethical SAI» maturity model

The «**Ethical SAI**» looked for inspiration in all those models, although referring specifically to the implementation of ISSAI 130.

ISSAI 130 established demanding requirements for SAIs as regards ethics management. Additionally, it included guidance on how to implement those requirements or on how to go further in the ethics management. A SAI complies with ISSAI 130 depending on whether it fulfils the requirements of the ISSAI.

Nevertheless, building an ethics control system, as required by ISSAI 30, is not a simple neither an automatic task. Soft controls such as integrity awareness, organisational culture and management attitudes take time to build and are subject to variations that depend on complex human factors.

Therefore, rather than being based on a binary assessment, compliance with ISSAI 130 seems to be more adequately put in the perspective of an evolutionary improvement process, which grows better when a step by step approach is adopted. The concept of a maturity model fits quite well in this perspective.

Maturity Models are usually descriptive, with a focus on processes and outcomes, rather than being based on metrics. Usually, they are not prescriptive as to the details of processes and outcomes to be achieved⁷.

In this context, the objectives of the «**Ethical SAI**» maturity model are the following:

- a) Provide SAIs with an assessment tool to oversight the level of maturity of their ethics control system, specifically in respect to ISSAI 130 Code of Ethics' requirements;
- b) Facilitate the design of development strategies by providing key information that allows the identification of strengths, weaknesses and areas for further improvement;
- c) Enhance accountability and transparency, by allowing the SAIs to monitor and report progress and to inform stakeholders.

It is very important to understand that some of the ethics control system components are not hard controls (like rules and control tools). The existence and maturity level of those soft controls, such as the internalisation of values, the integrity awareness or the tone at the top

⁷ Tax Debt Management Maturity Model © OECD (2019).

Maturity Levels:

- (1) Emerging
- (2) Progressing
- (3) Established
- (4) Mature
- (5) Leader

must be assessed through methods that include climate studies, surveys and focus groups. *IntoSAINT* is based on that kind of approach.

2. THE MATURITY LEVELS

The several maturity models that we have mentioned before use either three, four or five levels.

The OECD *Public Integrity Maturity Models* assess the several components of the OECD *Recommendation on Public Integrity* across four categories: nascent, emerging, established and leading.

The SAI of Costa Rica's model uses five levels: incipient, novice, competent, skilled and expert.

IntoSAINT uses a four level scale: (0) the measure does not exist; (1) the measure exists but is not implemented or observed; (2) the measure exists, is implemented or observed, but is not effective; and (3) the measure exists, is implemented/observed and is effective.

For the «**Ethical SAI**» maturity model we chose five levels, which seem to be adequate to the progress of SAIs in implementing ISSAI 130 and exceeding it. The levels are as follows:

(1) Emerging

All SAIs are at some level of ethical management. Even when they have not adopted a specific code of ethics, they may have a formal or an informal code. In many cases, the applicable law includes the values to refer to or, in some of them, general regulations of the civil service apply to the SAI. Disciplinary procedures usually allow responding to misconduct. Although not inspired by a behavioural approach, these controls have some effect on staff's awareness as regards their due conduct.

Even though, this level does not comply with ISSAI 130. Even in those cases where SAIs have already started a process to implement ISSAI 130 requirements, the ethical framework may be weak and procedures may be merely *ad-hoc* or poorly established.

At this initial level, SAIs should become aware that there is significant progress to be made.

(2) Progressing

This level includes SAIs that are aware of the need to undertake reforms to implement ISSAI 130 and that have taken steps to identify and implement those changes. The reform should cover key areas of the ethics control system.

(3) Established

The ethics control system of the SAI is considered as established when it includes ISSAI 130's requirements. At this level, SAIs may say that they comply with ISSAI 130.

Nevertheless, some components of the ethics control system, although introduced, may not be completely effective. Ethical culture, leadership and internalisation of values may be promoted but yet not achieved. They take time and nurture to fructify. Furthermore, it is possible to go beyond minimum requirements and adopt additional policies to enhance ethics management even further.


Usually, at this level, there are still weaknesses and areas for improvement to work in.

(4) Mature

An ethically mature SAI implements ISSAI 130 requirements consistently and effectively. Risks are clearly identified and managed. Controlling, monitoring and reporting mechanisms are in place and working. The SAI evaluates the ethics control system on a regular basis. This represents a very good level of ethics management. But, still, it can be excelled.

(5) Leader

An ethically leader SAI is implementing consistently and effectively all the ISSAI 130 requirements and guidance. Although ethical risks cannot be fully eliminated, inherent integrity risks are addressed by appropriate controls and assessment does not reveal additional issues that should be taken care of. The SAI applies a proactive policy of continuous improvement. The SAI leads by example in what concerns ethics and integrity, and, in this context, it also works to foster integrity in the public sector through its activities.



A well-developed ethics control system would typically position a SAI between the "*Established*" and the "*Mature*" level.

3. Maturity Levels: Dimensions, Attributes and Criteria

The «**Ethical SAI**» maturity model assesses six attributes:

- **Code of Ethics/Conduct**
- **Ethical culture**
- **Leadership**
- **Guidance**
- **Management/monitoring**
- **Control/enforcement**

The criteria to assess these attributes cover the two dimensions dealt with by ISSAI 130: the institutional responsibilities for creating a system and an environment conducive to an ethical conduct by all types of staff (an ethics control system) and the respect for the fundamental ethical values and principles when behaving within the professional responsibilities or, even, in private life. The first dimension is more evident and detailed in the criteria, but the second one is highly implicit when criteria refer to ethical conduct or behaviour. When assessing the criteria, and where appropriate, the respect for ethical values and principles of behaviour should be considered.

The following table describes the attributes, criteria and scoring of the «**Ethical SAI**» maturity model.

The SAI and the evaluator may refer to ISSAI 130 and to the EUROSA TFA&E guidance on «*How to Implement ISSAI 30 (INTOSAI Code of Ethics)*» for details as regards good practices related to the criteria.

MATURITY LEVELS

ATTRIBUTES	(1) EMERGING	(2) PROGRESSING	(3) ESTABLISHED	(4) MATURE	(5) LEADER	Score/ Observations
1.Code of ethics/code of conduct	<ul style="list-style-type: none"> - Ethical requirements and obligations in force are only included in general/legal provisions -Scattered and unsystematic ethical requirements are found in disperse documents 	<ul style="list-style-type: none"> -An explicit decision to implement or identify the need to adapt to ISSAI 130 was taken - The SAI is in the process of preparing a code, with steps taken towards this goal (e.g.a group or a person are preparing it); or - A code consistent with ISSAI 130 has been adopted by the SAI, but is not published and/or there is no evidence that implementation is taking place 	<ul style="list-style-type: none"> A code consistent with ISSAI 130 (verify content): -has been adopted by the SAI; -is made public (e.g. in internet); and -is implemented - The implementation of the code is monitored - The SAI requires that any party it contracts to carry out work on its behalf commits to the SAI's ethical requirements -There are provisions for ethical conflicts resolution 	<ul style="list-style-type: none"> -All elements of the «Established» level exist and are implemented - The code was prepared with the involvement of leadership and staff -The code includes or is complemented by a description of expected behaviours -The code is regularly evaluated and updated (e.g. every 3 years) -There is a formal commitment of leadership and staff to the code (e.g. signed declarations or oaths) 	<ul style="list-style-type: none"> -All elements of the «Mature» level exist and are implemented -The code includes or is complemented by detailed guidance on expected behaviours, concrete examples of possible problems and dilemmas, ways of solving them, and provisions to deal with misconduct -There is a feedback system to update the code, examples and dilemmas on the basis of experience 	

MATURITY LEVELS

ATTRIBUTES	(1) EMERGING	(2) PROGRESSING	(3) ESTABLISHED	(4) MATURE	(5) LEADER	Score/ Observations
2.Ethical culture	<ul style="list-style-type: none"> -Ethics is considered as a sole matter of law and individual consciousness -Staff's awareness of the importance of acting according to ethical values and principles is weak -Risks of unethical behaviour are not identified and addressed -Unethical conduct is perceived as likely to happen 	<ul style="list-style-type: none"> -The importance of ethics and integrity is emphasised in a few SAI's documents and activities (e.g strategic documents, decisions or HR policies) only in an <i>ad-hoc</i> way -The ethical behaviour in the SAI is perceived as not sufficiently recognised or valued -Although they may be identified, risks of unethical behaviour are perceived as possible and not sufficiently addressed 	<ul style="list-style-type: none"> -There are mechanisms to ensure the independence of the SAI and the impartiality of the members and auditors -Ethics is recognised as important and considered as a responsibility of all members of the organisation -SAI's leaders and staff are aware that independence and objectivity in appearance is as important as independence and objectivity in fact -Responsibilities for ethics management are clearly assigned -There are regular ethics related initiatives 	<ul style="list-style-type: none"> -All elements of the «Established» level exist -Leaders and staff are aware of all the possible threats to their independence, impartiality and credibility (refer to threats and risks identified in ISSAI 130 and in the SAI's analysis) -There is a clear and common understanding on how values and principles should reflect on the conduct of all staff (refer to the several values and principles) -There is a general awareness that the SAI's staff must behave according to 	<ul style="list-style-type: none"> -All elements of the «Mature» level exist -Stakeholders and citizens recognise the SAI's leaders and staff as highly independent, objective, competent and professional -If not mandatory, information on ethics related issues is published in internet (e.g. declarations of interests, assets, outside activities, remunerations, contracts, agendas, etc) -The SAI seeks opinions from external institutions/persons on ethical issues (e.g. participating in ethics committees, providing advice, participating in evaluations) 	

MATURITY LEVELS

ATTRIBUTES	(1) EMERGING	(2) PROGRESSING	(3) ESTABLISHED	(4) MATURE	(5) LEADER	Score/ Observations
			<ul style="list-style-type: none"> - There is a perception that leaders, auditors and other staff will probably act ethically -Ethical risks are identified and addressed -Discussions on ethical issues are welcome and staff feels that they may raise them safely -There is an open communication on ethics related issues, including integrity violations and how they are dealt with 	<ul style="list-style-type: none"> the stakeholders and citizens' ethical expectations - Fair relations, justice and equity are respected and seen as such -Ethical behaviour is clearly recognised and valued - There is a general perception that leaders and staff act ethically (refer to all values and principles) 		

MATURITY LEVELS

ATTRIBUTES	(1) EMERGING	(2) PROGRESSING	(3) ESTABLISHED	(4) MATURE	(5) LEADER	Score/ Observations
3.Leadership	<ul style="list-style-type: none"> -Top management of the SAI does not usually highlight the importance of ethics for the organisation and for the staff --Leaders and managers tend to consider that laws and standards are enough for staff to know how to behave and don't see it as their responsibility to monitor integrity -Leaders and managers avoid ethical issues and discussions or are only reactive to complaints 	<ul style="list-style-type: none"> -Top leaders of the SAI only occasionally emphasise the importance of ethics -They remind ethical values and principles only in a few occasions -They adopt ethics related measures in an <i>ad-hoc</i> and reactive basis 	<ul style="list-style-type: none"> -Top leaders of the SAI make it clear, through frequent statements, events and specific policies, that ethics is a priority (both internally and externally) -Leaders demonstrate values in their conduct and decisions -An integrity policy is adopted, with a set of articulated policies and measures, targeted at building an ethics control system as required by ISSAI 130 - Top management allocates resources to ethics (time, staff, space, training) -Managers recognise and reward ethical behaviour, promote 	<ul style="list-style-type: none"> -All elements of the «Established» level exist - Top and middle managers are attentive to potential ethical risks and breaches and never avoid raising and facing ethical problems -Leaders are seen as active ethical examples and inspire staff's ethical behaviour -Leaders coach their teams as regards ethics, promote lessons learnt, assume their own shortcomings and take corrective measures -Leaders listen and share decisions and empower managers and staff with 	<ul style="list-style-type: none"> -All elements of the «Mature» level exist -Leaders and managers cooperate and communicate among themselves to improve ethical culture -Leaders ensure high standards of accountability and transparency -An accurate ethics strategy is permanently monitored and redeveloped -Leaders share lessons learnt and gaps already corrected with stakeholders and ask them for inputs to decisions <p style="margin-left: 20px;">This way, the SAI functions as an example and act as a lever to</p>	

MATURITY LEVELS

ATTRIBUTES	(1) EMERGING	(2) PROGRESSING	(3) ESTABLISHED	(4) MATURE	(5) LEADER	Score/ Observations
3. Leadership	<ul style="list-style-type: none"> -Perception on ethical leadership is low -Decisions are mainly autocratic 		<ul style="list-style-type: none"> justice and act against ethical breaches -Management takes actions that develop trust, such as sharing useful ethics information and raising and discussing ethical problems with their teams -Top and middle management are seen as leading by example and as applying merit and ethics in their daily management practices 	<ul style="list-style-type: none"> responsibilities related to ethics 	<ul style="list-style-type: none"> enhance ethics in the public sector 	
4. Guidance	<ul style="list-style-type: none"> -Ethical issues are mentioned in training mainly as regarding legal obligations of staff. 	<ul style="list-style-type: none"> -Specific ethics training initiatives have been undertaken, but they are <i>ad-hoc</i>, do not cover all staff and/or focus mainly in describing rules and regulations 	<ul style="list-style-type: none"> -Regular ethics training is conducted for all staff and includes interactive and participatory approaches, focusing not only on describing standards but also on 	<ul style="list-style-type: none"> -The SAI has a well-developed and long-term ethics training plan for all staff, including targeted training objectives, interactive approaches and room for staff to raise ethical questions 	<ul style="list-style-type: none"> -All elements of the «Mature» level exist. -Specific training is delivered according to target groups -Special attention is given to develop the ethics leadership role 	

MATURITY LEVELS

ATTRIBUTES	(1) EMERGING	(2) PROGRESSING	(3) ESTABLISHED	(4) MATURE	(5) LEADER	Score/ Observations
4. Guidance			<p>internalising and socialising values and principles</p> <p>-Other forms of guidance exist, such as ethics counselling.</p>	<p>and discuss ethical examples, problems and dilemmas.</p> <p>-The SAI organises symbolic events, such as teambuilding, conferences and other initiatives (e.g. in integrity related days).</p> <p>-Participation of staff is encouraged to design and/or deliver ethics related initiatives</p> <p>-Abstraction is avoided, guidance to staff focuses on real life situations and problems</p> <p>-Leaders and managers are aware, committed and involved in providing daily ethical guidance</p> <p>-A counselling function is well-established</p>	<p>- Ethics information and good practice examples are shared (e.g. by intranet)</p> <p>-The SAI works with stakeholders, public sector organisations and other external partners and experts to share good practises and experiences, raise their awareness on the ethics management in the SAI and promote ethical conduct in the public sector</p>	

MATURITY LEVELS

ATTRIBUTES	(1) EMERGING	(2) PROGRESSING	(3) ESTABLISHED	(4) MATURE	(5) LEADER	Score/ Observations
5. Management/ Monitoring	-Scattered inputs related to ethics and integrity into management policies, mainly resulting from laws and external mandatory regulations	-Ethical risks are identified, but not in a systematic and comprehensive manner -Rules and policies are in place regarding at least 3 of the areas mentioned in the «Established» level	-Integrity risks are systematically identified and controls are applied to address them -Ethics is embedded in management policies and daily operations (notably HR: recruitment, performance appraisal, and professional and career development) -There are measures and practices in place for preventing individuals to participate in audits or decisions where their impartiality is at risk	(ethics committee, ethical advisors, integrity officers, or similar) -All elements of the «Established» level exist -In depth analysis is carried out for integrity vulnerable areas, and strategies and plans are prepared to address them. - Rules and policies are in place and applied regarding: *job rotation *preventing revolving door arrangements	--All elements of the «Mature» level exist -The SAI shares best practices with stakeholders and promotes the use of ethics management and monitoring tools by public sector organisations	

MATURITY LEVELS

ATTRIBUTES	(1) EMERGING	(2) PROGRESSING	(3) ESTABLISHED	(4) MATURE	(5) LEADER	Score/ Observations
5. Management/ Monitoring			<p>-There are procedures for ensuring the competence of staff and the quality, supervision and review of audit work</p> <p>-Rules and policies are in place and applied regarding:</p> <ul style="list-style-type: none"> * acceptance and declaration of gifts/hospitality * declarations of interests and monitoring of potential conflicts (e.g. previous activities, financial and business interests, relations with contractors) * non-involvement with the management of audited entities 			

MATURITY LEVELS

ATTRIBUTES	(1) EMERGING	(2) PROGRESSING	(3) ESTABLISHED	(4) MATURE	(5) LEADER	Score/ Observations
			<ul style="list-style-type: none"> * outside and private activities * engagement in political activities * familiarity with auditees * confidentiality⁸ * disclosure of information * relations with media and use of social media * expense claims * email, internet and telephone use * use of the institutions' property * segregation of duties and controls in the decision-making processes 			

⁸ Including physical security-locks, windows, doors, safes, etc. – and Information security - security, clean desk policy, classification of information as confidential/secret, access authorisations, filing systems.

MATURITY LEVELS

ATTRIBUTES	(1) EMERGING	(2) PROGRESSING	(3) ESTABLISHED	(4) MATURE	(5) LEADER	Score/ Observations
6. Control / Enforcement	<ul style="list-style-type: none"> -Law and mandatory regulations establish the disciplinary procedures to follow when there are breaches to legally binding conduct 	<ul style="list-style-type: none"> -Law and mandatory regulations establish the disciplinary procedures to follow when there are breaches to legally binding conduct -The SAI applies internal controls as regards the identified integrity policies (see attribute 5) 	<ul style="list-style-type: none"> -The SAI applies internal controls as regards the integrity management policies, ensuring that they are effectively monitored -The SAI uses accountability and learning assessment routines, such as ethics periodic reporting, ethics self-assessments and ethics internal evaluations and audits -Breaches to ethical conduct are identified and dealt with -There are clear procedures to deal with and sanction misconduct, respecting due process -There is a complaint and a whistleblowing policy 	<ul style="list-style-type: none"> -All elements of the «Established» level exist -The SAI conducted, in the last 5 years, an internal assessment of the development level of its ethics control system through a recognised tool (for instance, peer-review, IntoSAINT or SAI-PMF) -Complaint, whistleblowing and enforcement activities related to ethical breaches or misconduct are documented -The SAI provides feedback to internal and external whistleblowers 	<ul style="list-style-type: none"> -All elements of the «Mature» level exist -Ethics assessments are conducted at least every 2 years, updating integrity vulnerabilities' identification and leveraging improvement -The SAI conducts external evaluation(s) on the ethics control system (by peer SAIs or other independent experts or entities) and publishes the report(s) -Auditees are involved in assessing the ethics-related performance of audit staff (surveys on audit practices, client feedback questionnaires, self-assessment during and after audit tasks) -Information is published about the 	

MATURITY LEVELS

ATTRIBUTES	MATURITY LEVELS					Score/ Observations
	(1) EMERGING	(2) PROGRESSING	(3) ESTABLISHED	(4) MATURE	(5) LEADER	
					SAI's ethics management and control activities	

4. ASSESSMENT PROCEDURES

The SAI or evaluator will determine the type of assessment to be conducted. The maturity model could be used in a self-assessment, in a situation analysis, in an internal audit or in an external evaluation.

We envisage a high degree of flexibility in the application of the maturity model and the reporting thereafter.

Assessment

A level shall be granted to each attribute, in accordance to the correspondent description of criteria.

To achieve a specific level the SAI must comply with all the criteria considered. Nevertheless, when a criterion is not completely met the evaluator should consider whether the correspondent risks are minimised through another equivalent measure or through a greater degree of evolution of other related requirements and, consequently, whether non-compliance in that criteria should be disregarded.

A quantitative assessment is possible. The scores will correspond to the levels achieved. Scoring half points is possible when some, but not all, of the criteria of one specific level are in place. For instance: if an explicit decision to implement ISSAI 130 was taken but the other criteria do not exist, a score of 1,5 could be applied. The SAI would then be considered, qualitatively, from emerging to progressing.

To apply a quantitative assessment, the following steps should be taken.

After scoring every attribute according to the identified criteria, add those scores altogether.

Example of a scoring follows.

1. Code of Ethics	Established	3
2. Ethical culture	Mature	4
3. Leadership	Mature	4
4. Guidance	Mature	4
5. Management/ monitoring	Established	3
6. Control/Enforcement	Progressing	2
	Total	20

A global level will be given according to the total score.

For that, total scores will correspond to the following levels:

Emerging	= < a 10
Progressing	= >e 11 <= 14, with minimum 2 in Code of Ethics
Established	= > 15 < = 20
Mature	= > 21 < = 25
Leader	= > 26 < = 30

The SAI of the example would be considered as an «**Established Ethical SAI**», although close to become «**Mature**».

A qualitative assessment is strongly advised. It adds much more value to the improvement process. In this case, the analysis per attribute results in observations, comments and recommendations that will lead to the identification of areas to be developed, desirably through an action plan.

Even when a quantitative assessment is undertaken, the qualitative analysis should be attentive and careful, to have a positive effect on the progress of the SAI.

Analysis

With that in mind, the tool should be detailed in a more analytical way. For the purpose of the qualitative analysis, the column dedicated to «**Score/Observations**» should be further splitted in sub-columns, as indicated below:

		Score/Observations				
		Score/Level	Observations	Justification/Cause	Evidence/Source of evidence	Recommendation
Attribute	Criteria					
	Criteria					
	Criteria					

In a qualitative assessment, the evaluator is expected to highlight topics for reflection, good practices identified, strong or weak aspects and the

need to develop an action plan to overcome identified weaknesses. This will help in drafting the qualitative report. It is important to explore the justification for the assessment and the causes behind the identified weaknesses, in order to prepare useful recommendations.

Methods to collect information and evidence

The assessment should be evidence based and, so, for each criteria and observation, the correspondent evidence should be identified and indicated.

Importance should be given to the implementation of policies, measures and tools rather than to their mere existence.

Evidence can be found in documents, processes, reports, videos, pictures, objects, internet and intranet pages, IT systems, media news, witnesses, etc. However, soft controls and cultural aspects will probably need to be assessed on the basis of surveys, questionnaires, interviews and focus groups, leading to conclusions on perceptions. To avoid bias, the information gathered should be confirmed with documentation, observations and other interviews.

Mainly in assessing ethics culture and ethical leadership, employee perception surveys and focus groups can be very useful. Surveys can give a good overview about several ethical issues such as organisational culture, awareness of the code of ethics, education/trainings on ethics related policies and procedures, exchange of information, communication etc. They can be anonymous. They provide an excellent opportunity for statistical analysis of attitude and culture. But surveys also present challenges: they might not get careful feedback, wording can bias responses and they might not tell the full story. Thus, a sampling expert should be used, the survey should be externally and theoretically validated and information should be triangulated as much as possible.

The IIA Practice Guide *'Evaluating ethics-related programs and activities'* and the tools prepared by the SAI of Costa Rica include sample employees' surveys about ethics.

Focus groups are groups of selected individuals gathered to discuss an issue or a topic. They are used to collect qualitative data and information that can provide insight into values and opinions of individuals connected with the organisation, procedures or activities. Focus groups are frequently used to help define a large scale quantitative survey and can be very useful in exploring ethical issues within an organisation.

Focus groups may give some indications of why people/employees have certain preferences in behaviour, opinions about certain ethical situation or make a particular decision in ethical dilemmas, but they will not demonstrate how often the group made a particular choice. On the other hand, they may provide more valuable insight than yes/no responses to a questionnaire. The responses can also be biased and it is advisable to have a good and experienced facilitator to ensure reliability.

Anyhow, one must accept that, in ethics, climate assessments may not be completely accurate but they indicate the effects in the working atmosphere, which influences behaviour. Where there is the perception of a problem, there will probably be some actual problem and management should reflect on it and take measures to improve the climate and the reasons behind it.

Reporting

Reporting could be internal and confidential or external and published. The decision depends on the objectives to be achieved.

Identifying areas of concern to be improved is an expected result and, depending on the cases, confidentiality may be important to safeguard the reputation of the SAI. Communication within the SAI is, however, very important to provide feedback to staff and to facilitate the needed improvements.

Mature and leader SAIs will probably want to publish the report, or a summary of the report, for accountability and transparency reasons.

Follow-up is of critical importance.

Ethics culture and ethical behaviour are never completely acquired. Codes, standards and tools may exist and not be followed. Attitudes may differ as a result of events, changes of individuals, managers or leaders, lack of monitoring or no enforcement action when there are ethical breaches not addressed.

Therefore, regular monitoring and assessment are important tools to keep pace of progress in ethics management.

A new assessment is also an important tool to make improvements visible and encouraging.