

PAPER DETAILS

TITLE: KAMU SEKTÖRÜ DENETİMİNDE YENİ BİR BAKIS: ETİK DENETİMİ

AUTHORS: Yasar UZUN

PAGES: 144-161

ORIGINAL PDF URL: <https://dergipark.org.tr/tr/download/article-file/453739>

A NEW PERSPECTIVE IN PUBLIC SECTOR AUDITING: ETHICS AUDIT*

Yaşar UZUN^{†**}

Muhasebe Bilim
Dünyası Dergisi
Mart 2018; 20(1); 144-161

ABSTRACT

144

Developing an integrity-based public sector requires that Supreme Audit Institutions (SAIs) conduct audit activities with a new perspective by which “ethics and ethics management requirements” are prioritized. By conducting ethics audits, SAIs would play a pivotal role for maintaining and increasing citizens’ trust to the public management. The purpose of this paper is to increase awareness regarding the ethics audit, its methodology and potential benefits by taking into account the sustainable development.

Keywords: Sustainable Development, Ethics Management Infrastructure, Ethics Audit, Supreme Audit Institutions.

JEL Classification: H83, M42, Q01.

KAMU SEKTÖRÜ DENETİMİNDE YENİ BİR BAKIŞ: ETİK DENETİMİ

ÖZ

Kamu sektörünün dürüstlük odaklı geliştirilmesi, Yüksek Denetim Kurumlarının denetim çalışmalarını “etik” ve “etik yönetimin” önceliklendirildiği “etik denetimler” şeklinde bir yaklaşımla yürütmelerini zorunlu hale getirmektedir. Yüksek denetim kurumları, yapacakları etik denetimler aracılığıyla kamu yönetimine olan güvenin korunması ve geliştirilmesinde önemli bir rol oynayacaklardır. Çalışmanın amacı, sürdürülebilir gelişmeyi de dikkate alarak etik denetimler, nasıl yapılabileceği ve sağlayacağı kazanımlar hakkında farkındalığı geliştirmektir.

Anahtar Kelimeler: Sürdürülebilir Gelişme, Etik Yönetim Altyapısı, Etik Denetim, Yüksek Denetim Kurumları.

JEL Sınıflandırması: H83, M42, Q01.

* Date of submission: 23.10.2017; Date of acceptance: 13.02.2018.

This paper was presented at 14th International Conference on Accounting, hold by MODAV in TIRANA / ALBANIA, on October 11-13, 2017 and prepared in accordance with criticism.

** Principal Auditor, Turkish Court of Accounts, yasaruzun@sayistay.gov.tr, orcid.org/ 0000-0003-3803-0611

1. INTRODUCTION

Sustainable development is defined as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” (ISSAI 5130, Articles 1.1 and 1.2). This definition requires people to use the resources available in their environment in an economical, efficient and effective way, and acquire and consume them as much as their real needs by taking into account their life balances and qualities without compromising next generations’ needs. Sustainable development is a term that encompasses economic, social and environmental dimensions. However, the requirements implied by the definition, such as using resources as much as real needs, considering next generations as “valuable” and providing common good-based sustainable development at each dimension, point out to the fact that this definition actually encompasses one more dimension based on ethical values and principles. The fact that resources available today can not be obtained, produced and delivered in line with ethical values and principles causes global problems in the form of economic, social, political and environmental crises that can be a disaster for humanity and earth. It is thought that non-compliance to ethical values and principles, which should shape the behaviours of the factors forming civil societies, private and public sectors, produces global problems such as poverty, hunger, poor health and education circumstances etc. These problems are also the subjects of the sustainable development goals of the UN. From this perspective, one can understand the importance of promoting ethical culture in civil society, private sector and public sector . Supreme Audit Institutions (SAIs) play an important role in establishing and sustaining transparency and accountability in public management through traditional audits such as financial audits, compliance audits and performance audits. In addition to the traditional audits, SAIs can perform “ethics audits”, by which they can promote ethics management infrastructure in public sector. Ethics audits aim at developing working environments, in which public organizations and public officials produce and deliver public services according to the expected professional standards such as honesty, equality and independence.

The purpose of this paper is to raise awareness regarding the “ethics audit”, which SAIs should carry out to build and support an integrity-based public sector. Therefore, a conceptual analysis to understand essential terms well will be made in this paper, and then the issues such as why and how SAIs should conduct “ethics audits” and potential benefits of ethics audits in public sector would be explained.

2. CONCEPTUAL ANALYSIS

Ethics is the entirety of moral principles that form the basis of an individual's behaviour. In other words, ethics is the guiding values, principles and standards that help people in determining "how things should be done". At the same time, ethics is a process. In this process, when making decisions and putting them into practice, certain values are respected (The Council of Ethics 2009, 2). Ethics is the branch of philosophy that defines what is good for the individual and for society and establishes the nature of obligations or duties that people owe themselves and one another. It is embodied in the moral values of a society and individuals, guiding one's acts in a particular circumstance. Ethics vary across countries, time, cultures and organizations (EUROSAI TFAE 2017, 12).

The stakeholders of public sector organizations have value-based expectations from public management. For example, taxpayers expect their taxes to be used properly for specific purposes. Therefore, public sector should display appropriate behaviours based on ethical values and principles in order to meet the expectations of stakeholders. What is called ethics in public management comprises the set of values and principles that the public officials should follow while making decisions and carrying out their tasks and responsibilities, such as objectivity, honesty, competency, transparency, accountability, fairness, equality, the maintenance of public benefit, professionalism, efficiency, effectiveness, non-acceptance of gifts and bribes. Ethical management is the management that adopts those values and principles and practices them in its decision-making processes and operations (Eryılmaz 2008, 7).

Ethics management in public sector requires the production and delivery of public services in line with ethical values and principles, and it necessitates that the structure and functioning of public management is shaped according to the "requirements of ethics management". The term "ethics infrastructure", which the OECD has developed throughout the years, identifies the requirements of ethics management. According to the OECD, a well-functioning ethics infrastructure supports a public sector environment, which encourages high standards of behaviour. Each function and element is a separate, important building block, but the individual elements should be complementary and mutually reinforcing. The elements interact to achieve the necessary synergy to become a coherent and integrated infrastructure. The elements can be categorized according to the main functions they serve –guidance, management and control– noting that different elements may serve more than one function (OECD 2005, 33):

- Guidance is provided by strong commitment from leadership; statements of values and standards of conduct such as codes of conduct; and professional socialization activities such as education, training and counselling to raise awareness and develop skills for application of laws and standards in the daily work.
- Management policies and practices create public service conditions that ensure fair and impartial selection, promotion and remuneration, as well as contribute to social respect.
- Control is assured primarily through an effective legal framework that sets the basic standards of behaviour for public officials, and enforces them through effective accountability mechanisms, such as internal control and external audit; transparency mechanisms providing access to public information, facilitating public involvement and scrutiny; as well as arrangements for independent investigation and prosecution.

The main approach of the OECD regarding the main functions of ethics infrastructure (guidance, management and control) can be summarized as follows:

Integrity systems often begin with a code of conduct, code of behaviour or code of ethics. They usually begin with either a series of principles or a delineation of behaviours that public servants are expected to avoid or observe. These codes are generally in addition to anticorruption laws, and they attempt to refine behaviours in a broader and encompassing fashion. They are often helpful because they provide the basis for other ethics elements. Most ethics programmes have counselling mechanisms, through which they give employees advice in response to ethics questions (OECD 2005,80-81). However, the content of the codes of conduct or even legal provisions remains simply words on paper unless adequately communicated and inculcated. Socialisation mechanisms are the processes by which public servants learn and adopt ethical norms, standards of conduct, and public service values. Training –both induction and ongoing– is an essential element to raise ethics awareness and develop skills capable of solving ethical dilemmas. In the same way, training on vulnerable areas can help public servants solve ethical dilemmas by defining practices for managing organisational and strategic risks proactively. The ethical commitment of leaders and managers is immensely important so as not to cause efforts for encouraging ethical behaviours are in vain. Public managers should serve as important role models (OECD 2005, 67-68).

The high standards of ethical conduct expected of public officials are one side of the coin. The other side is a “package”, which provides decent working and living conditions for the

“servants of the public”. This “package” consists of such basic elements as sufficient job security, prospect of possible promotion and career, fair remuneration or social appreciation. Fair and impartial human resources management policies could ensure that the selection and promotion processes in the public sector would be based on general professional requirements, and that other factors such as direct political interventions, would be minimised (OECD 2005, 68).

Legal framework is the “teeth” of the overall ethics infrastructure. Laws and regulations define the basic standards of behaviour for public servants and enforce them through systems of investigation and prosecution. Legal framework includes criminal codes and civil service laws, conflict-of-interest statutes and other regulations, which apply to public servants. Accountability and control mechanisms encourage ethical behaviour by making unethical actions hard to accomplish and easy to detect. Accountability mechanisms set guidelines for government activities, for checking whether the results are achieved and due process is observed. They include internal administrative procedures (requirements that activities or requests are recorded in writing), comprehensive processes (such as audits and evaluations of an agency’s performance), or new forms of procedures such as whistleblowing (which can encourage public servants to expose wrongdoing committed by others or to say no when asked to do something inappropriate). They might also be external to the public service; for example, oversight mechanisms such as legislative or parliamentary committees. Freedom of information laws can institutionalise and support public awareness and responsiveness (OECD 2005, 69).

In order to meet the aforementioned requirements of ethics management infrastructure in public sector, “ethics and ethics-related issues” should be handled at strategic level and works of the infrastructure required should be designed systematically. Therefore, we can say that ‘ethics management’ means the planning, implementation and co-ordination of activities of public management and public bodies for the achievement of integrity in their structures and functions (EUROSAI TFAE 2017, 13).

One of the important tools to assess whether the requirements of ethics management infrastructure in public sector organizations are properly designed and implemented is the “ethics audits” that should be conducted by SAIs. An audit of ethics is a process used to evaluate several dimensions of the ethical conduct of an organisation. It assesses how well (or poorly) an organisation conforms to agreed benchmarks of ethical standards. It addresses the

ultimate responsibility and corresponding accountability of the organisation's leadership to promote and ensure that its management at all levels and its staff behave in an ethical way and, by doing so, refrain from acts of fraud and corruption. It may include the assessment of 'soft' elements (like tone at the top and tone at the middle) as well as 'hard' elements (the codes and procedures established to stimulate, monitor and reinforce ethical conduct throughout the organisation) (EUROSAI TFAE 2017,6). By conducting ethics audit on cross-cutting ethics issues in government (for example; effectiveness of ethics commissions, functioning of conflict of interest policies and procedures, requirements and practices of ethical leadership, effectiveness of codes of ethics etc.), SAIs could assess how well (or poorly) more than one public entity or general public sector conforms to the agreed benchmarks of ethical standards.

Ethics audits make it possible to identify to what extent ethics management system requirements are working in public sector organisations, and what sort of deficiencies exist in terms of the existing structure, policy areas, processes and systems. It can provide a picture regarding the development and maturity level of public management or public sector organizations in terms of ethical culture in place. Therefore, ethics audit will carry out an important function to bring these issues to the agendas of audited entity, the Parliament and public opinion. Audit findings and recommendations of ethics audit reports would also provide support to politicians and administrative decision makers for making effective decisions regarding ethical management requirements.

3. WHY SHOULD SAIs CONDUCT ETHICS AUDIT?

SAIs, which conduct audits on behalf of legislature almost in every country, are the most reliable information sources of Parliaments. They have an important place within the constitutional systems of countries. Having indispensable functions for executives in addition to the legislatures and carrying out judicial tasks and responsibilities in some practices, SAIs conduct the role of the guardianship of Treasury on behalf of public (Köse 2007,13). They are one of the important pillars of National Integrity Systems (NIS) and have a main responsibility such as promoting integrity/ethics in public sector management. The factors that motivates and/or necessitates SAIs to perform ethics audits for developing an integrity-based public management could be analysed as below:

a- Problems of public management and the expectations of public: Ethics, integrity and transparency of state officials, and civil servants' actions have become a growing focus of public attention. Numerous scandals related to corruption, illegality or lack of professionalism justify the prominent role of these issues in many countries. At the same time, the reform and modernisation of state administration and public management and the increasing democratisation and openness of societies allow and claim for the development and strengthening of ethics' structures and management in the civil service. Thus, ethics turns out to be a required part of the good governance and performance of public sector organisations. In such circumstances, ethics and ethics management present themselves as important topics for auditing. (EUROSAI TFAE 2017, 5).

b- Responsibilities given by International Standards of Supreme Audit Institutions (ISSAIs): Professional standards are essential for the credibility, quality and professionalism of public sector auditing. The International Standards of Supreme Audit Institutions (ISSAIs), developed by the International Organisation of Supreme Audit Institutions (INTOSAI), aim to promote independent and effective auditing by SAIs. The ISSAIs encompass public-sector auditing requirements at the organisational (SAI) level (ISSAI 100, Article 1 and 2).

SAIs have important roles and responsibilities in strengthening ethics management in public services. According to the standards, public sector auditing should help create suitable conditions and reinforce the expectation that public-sector entities and public servants perform their functions effectively, efficiently, **ethically** and in accordance with applicable laws and regulations (ISSAI 100, Article 17). In other words, SAIs should have an audit approach that help public-sector entities and public servants perform their functions ethically by giving priority to the ethics and ethics-related issues in their audit activities.

Public sector auditing is an important factor in making a difference in citizens' lives. In order to make a difference in citizens' lives, SAIs are supposed to strengthen the accountability, transparency and integrity of government and public sector entities (ISSAI 12, Article 5). Therefore, strengthening of integrity of government and public sector entities should be the main concern for SAIs. They can focus more on developing ethics management systems in public sector through ethics audits.

SAIs may carry out audits or other engagements on any subject related to the responsibilities of management and those charged with governance and the appropriate use of public resources

(ISSAI 100, Article 23). In other words, SAIs should have a responsibility to carry out ethics audits in public entities in order to promote the ethical responsibilities of leaders and managers in administrations and ethical use of public resources as a requirement of good governance.

c- Traditional audits do always not give priority to the ethics and ethics-related issues: According to the ISSAIs, there are three types of public-sector audit; financial audit, performance audit and compliance audit (ISSAI 100, Article 22). Financial audit focuses on determining whether an entity's financial information is presented in accordance with the applicable financial reporting and regulatory framework (ISSAI 200, Article 4). Compliance audits are carried out by assessing whether activities, financial transactions and information comply, in all material aspects, with the authorities that govern the audited entity (ISSAI 400, Article 12). Performance audit focuses on independent, objective and reliable examination of whether government undertakings, systems, operations, programmes, activities or organisations operate in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement (ISSAI 300, Article 9).

Traditional audit types such as financial audits, compliance audits and performance audits identify whether public organizations and public officials perform their duties and responsibilities effectively, efficiently, economically, transparently and in accordance with applicable laws and regulations. However, traditional audits of SAIs do always not make the requirements of ethics management infrastructure the prioritized audit subjects and these issues can be handled as subsidiary issues depending on audit objectives and purposes.

An approach to ethics or integrity in financial audit will always be conducted by a specific organisation and will be done within the analysis of its internal control environment. It will always be a subsidiary issue to be explored mainly if there is reason to believe that the financial information could have been or was affected by an unethical environment or behaviour. Compliance audit is an assessment of whether the given subject matters, notably the activities of public sector organisations, comply with applicable formal criteria (such as laws, regulations and agreements) or with the general principles governing sound financial management and the conduct of public officials (propriety). Compliance audits may be attestation or direct reporting engagements. The conclusion is expressed in terms of findings, answers to specific audit questions, recommendations or an opinion. Performance audit is an examination of whether undertakings, systems, operations, programmes, activities or organisations operate in

accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement. It seeks to provide new information, analysis or insights and, where appropriate, recommendations for improvement. Where ethical aspects are treated as a secondary element that can affect the audited object, ethics audit will occur in a subsidiary manner, embedded in the main compliance or performance audit. When the main scope of the audit focuses on ethics management and its infrastructure, we can say that we are dealing with a proper audit of ethics (EUROSAI TFAE 2017, 25).

d-The positions of SAIs and their authorities to raise ethics-related issues in public management: By auditing ethics or ethics-related issues, SAIs can help restore trust and confidence in public organisations, which has been recently deteriorating due to the financial and economic crisis. As known, part of the roots of this crisis lies in values' breakdown as well as the failure of regulation and controls. SAIs are in an independent, expert and privileged position to identify and counteract the weaknesses, thus contributing to restore public confidence. SAIs' reports are effective in drawing the attention of Parliaments and public. Focusing on ethics and ethical management and providing correspondent recommendations and follow-up, they would be able to effectively encourage and enhance improvement in ethics' practices in public sector (EUROSAI TFAE 2014, 8).

e-Recognizing the understanding of system improvement rather than identifying road accidents in public sector audits: In recent years, a general understanding recognizing system improvement rather than identifying road accidents in public sector audits has been accepted. Therefore, the role of SAIs has shifted towards an understanding that meet the requirements of ethical management system in public management by conducting system-based audits instead of focusing on the identification of mistakes. Through the ethics audit to be conducted by SAIs, public sector organizations are encouraged to make their ethics management control mechanisms functional not to face irregularities and corruptions. As a result, preventing violations of ethical values and principles and/or ensuring the effective management of potential ethics-related risks in public sector organizations would be more possible.

4. AN EVALUATION REGARDING THE ETHICS AUDIT METHODOLOGY

Having analysed the reasons for conducting ethics audit to promote integrity in public sector, some important questions may come into minds: How can public sector audit help public sector

organizations and public officials perform their duties and responsibilities ethically or what can SAIs do in order to promote ethics in public sector? These questions are on the agendas of the international organisations of SAIs. EUROSAI (European Organisation of Supreme Audit Institutions) is one of the Regional Groups of INTOSAI. As a working group of EUROSAI, the Task Force on Audit & Ethics (TFA&E), aiming to promote ethical conduct and integrity both in SAIs and in public organisations, was set up in 2011. The Task Force has developed a guideline titled “Audit of Ethics in Public Sector Organizations” after the works conducted between the 2014-2017 working period. According to the guideline, the main purpose of an ethics audit is to strengthen ethics management and ethical conduct in the public sector and to ensure good governance (EUROSAI TFAE 2017, 6). The guideline focuses on subjects such as why should SAIs audit ethics, key concepts, definitions and key approaches in auditing ethics, designing methodology, the essentials of reporting and communication and do’s and don’ts in ethics audit. The guideline includes two annexes; one of them is the list of examples and audit reports regarding ethics, and the other one is a glossary of ethics audit. By taking into account this guideline, an evaluation regarding ethics audit methodology can be made as described below.

Traditional audit types such as financial audits, compliance audits and performance audits are performed by SAIs with their own particular methodologies. Ethics audit also requires a particular methodology to be followed for the planning, executing and reporting processes of the audit. As mentioned above, the guideline gives general information regarding potential ethics audit approaches and how to design an ethics audit. Therefore, by taking into account the audit approaches to be followed, ethics audit should have particular audit objectives such as: to determine strengths and weaknesses in the ethics component of the control environment in auditing the ethics component of internal control system; to assess the existence and functioning of integrity management systems or infrastructures in public sector organisations in auditing of ethics management system within an organisation or sector; to assess the existence, effectiveness and efficiency of the national integrity system, analyse, and identify specific weaknesses in subject-focused and transversal audits.

The audit scope of ethics audit defines the subject matter that the audit will assess and report on, the documents, situations or records to be examined, and the period reviewed. The subject

matter of ethics audit may be specific programs, processes, procedures, systems, or the ethical culture of the entities.

One of the key elements of ethics audit methodology is the selection of audit topic. As mentioned above, the main focus of ethics audit should be on the requirements of ethics management infrastructure in public sector organizations. The topics of ethics audit could be related to ethics management infrastructure as a whole or each of key functions forming this infrastructure. Some examples for topics of ethics audit are below:

- Effectiveness of ethics management regulators of public management,
- Conflict of interest policies and practices,
- Diversity management,
- Ethical commitment of leaders and managers,
- Ethical codes and legal arrangements,
- Ethics committees/commissions in public bodies,
- Ethical advice policies and practices,
- Recruitment and professional development approaches etc.

While identifying topics of ethics audits, issues such as the priorities of the Parliament and public and the potential effects of audit over the financial management discipline, culture of integrity, progress of organizational performance, behaviours of public officials should be taken into account (Uzun 2017,76). Examples of ethics audit of European SAIs, by which ethics or ethics-related issues are prioritized, are below:

List 1. Examples for Ethics Audit

| |
|--|
| <ul style="list-style-type: none"> ▪ Regularity and performance of the established ethics infrastructure and the implementation of ethical values and principles (Croatia) ▪ Ethics infrastructure in comparison with the practices of other developed countries (Croatia) ▪ Integrity and integrity risks in the administrative culture (Hungary) ▪ State of integrity management in central government (The Netherlands) ▪ Codes of conduct in public administration (Iceland) ▪ Governance practices of the state-owned companies sector (Portugal) ▪ Integrity policy in tax departments (Belgium) ▪ Management of conflict of interest in EU agencies (ECA) |
|--|

- How far public servants' disciplinary rules and proceedings are implemented and working as a support to ethical conduct in public administration (Italy)
- How effective investigation and prosecution of tax fraud, social security fraud and horizontal fraud is working (The Netherlands)
- Inappropriate adjustments in patient waiting lists in some organisations of the National Healthcare System, developing work and following-up on a previous report that had identified those kind of adjustments (UK)
- Professional conduct of high ranking government officials, including unethical professional conduct and inappropriate use of official facilities and equipment (Malta)
- Foreign allowances granted to civil servants (The Netherlands)
- Gifts and benefits for public servants (Israel)
- Political financing and donations to political parties (Israel)
- Post-employment restrictions (Israel)
- Making a whistle-blowing policy work (UK)

Resource: www.eurosai-tfae.tcontas.pt/activities/Papers

In an ethics audit, there should be some questions to be answered by audit work to reach audit objective. Potential questions could be related to the existence of ethics management policies, tools and procedures, systems, their visibility, effectiveness, sufficiency etc. Some examples of the questions mentioned in the guideline are as follows:

- Does the entity identify, assess and address the risks to integrity?
- Does the management demonstrate in its guidelines, actions and attitudes its commitment to ethical conduct and ethical principles?
- Does the management evaluate the performance of employees and teams to meet the expectations of ethical conduct, does it identify deviations and does it implement corrective actions in a consistent and timely manner?
- Does leadership pay attention to ethics?
- Are there open discussions about ethics issues?
- Are ethics violations reported when they occur?

In ethics audit, audit criteria would be a base to assess potential gaps between the thing that exists and the thing that should be. Examples of audit criteria for ethics audit could be

ethics-related national legislation, international agreements, international guidance and recommendations, such as COSO Framework, INTOSAI GOV or OECD Integrity Framework, peer standards to compare, performance indicators, institutional plans and programs.

The audit team performing ethics audit needs to obtain audit evidences in order to find answers to audit questions and develop audit recommendations. Document or case review, sampling, observation, cultural observation techniques, inquiry, interview, questionnaires, surveys and focus groups could be some examples of methods to collect data or evidences in ethics audits.

Reporting of ethics audit is the phase by which SAIs make the results of their audit works concrete and ready to submit to stakeholders. Since ethics audit deals with a sensitive subject, reporting and communication before, during and after the audit requires special care. The audit report of ethics audit shall follow the standards applicable for any audit report:

- It should contain the following sections: introduction; objectives (clearly stating the purpose and reason of the audit); audit scope, approach and criteria; observations; conclusions; and recommendations.
- It must be objective, complete, clear, convincing, relevant, accurate, constructive, and concise. An effective quality control system is required to help ensure that the reports exhibit these qualities.

In order to be successful in ethics audit, SAIs should pay special attention to the communication initiatives regarding key stakeholders to maximise the impact of its reports. Some of the communication initiatives SAIs can adopt are as follow:

- Explain to stakeholders (including parliament) and auditees why it decided to adopt an ethical approach in its audit work, why it is important to do so and share with them the strategy it decided to adopt in this regard.
- Share the guideline to audit ethics with stakeholders
- Compile best practice, lessons learnt and impacts from its audits of ethics and share them with stakeholders, notably in the SAI's annual reports
- Ask for feedback from the auditees concerning the usefulness of the audits of ethics and learn from that feedback.

For SAIs, who want to contribute to the promotion of ethics culture in public management through ethics audits, it would be a good step to develop their own ethics audit strategies,

methodologies and guidelines suitable to their own legal, political, social and cultural environments by taking into account the best practice guidelines and approaches in this field.

5. POSSIBLE IMPACTS OF ETHICS AUDITS

Ethics audit to be performed by SAIs are expected to provide positive impacts to the public sector, public officials, public, environment etc. in many ways. Therefore, this part of the paper would emphasize the possible impacts that ethics audit can directly or indirectly produce.

The audit and the recommendations given on the basis of the particular facts and findings identified are able to produce the following types of improvements in the public sector (EUROSAI TFAE 2017, 52):

- Increasing the effectiveness of the control systems in place, since ethics is a relevant factor of risk assessment and an element of the internal control environment of the organisation
- Encouraging the set-up of missing processes and/or relevant control activities
- Stimulating and improving the set up and functioning of ethical infrastructures in public bodies
- Increasing the awareness of the importance of implementing and respecting ethical principles and values in public sector
- Stimulating relevant training and education on ethics
- Fostering the consistent application of rules and regulations related to ethics and ethical behaviour
- Enhancing ethical behaviour and ethical decision making
- Strengthening mechanisms for monitoring the implementation of ethical principles
- Decreasing the number of breaches and irregularities
- Improving prevention of fraud and corruption
- Increasing public awareness
- Change of management practices
- Increased public officials' accountability
- Amendments to legislation introduced
- Dismissal of public officials
- Sanctions applied to identified cases

By considering those impacts, it could be concluded that ethics audits can help keeping the functioning of public sector and using of public resources under the powerful control mechanisms and diminish the violation of ethical values and principles and mistakes. By doing that, ethics audit would strengthen the transparency and accountability in public sector as well.

The ethics guidance policies of public sector are expected to help public officials adopt institutional and professional values and standards. Through the adopted values and principles, it would be provided that public officials directly or indirectly reflect them to the people they interact during public service by setting an example. Therefore, those people that public official interacts with would be able to adopt and be aware of those values and principles. Considering that public officials also have a social environment, it would be inevitable that values and principles adopted by public officials would be transferred to family members and other people in their own particular social environment. In this context, activities to be provided to public officials such as ethics training, ethics guidance, advising etc. are expected to help the development of perceptions of public officials and other people they interact regarding the “value and correct behaviour”. From this point of view, by taking “ethics guidance policies and practices in public sector” as the main focus in ethics audits, SAIs would be able to strengthen and increase effectiveness of the ethics guidance policies to be implemented in public sector, to train and develop public officials based on values, and to support the transfers of values to next generations indirectly over the people forming public officials’ environments.

As mentioned above, human resource management policies and practices in public management are expected to create public service conditions that ensure fair and impartial selection, promotion and remuneration, as well as contribute to social respect because of ethics management requirements. Therefore, SAIs would contribute to strengthening the management practices regarding the key human resources policy areas through ethics audits by focusing on the existence and effectiveness of human resources management policies and practices with ethical aspects in public sector, such as diversity management policies of public sector organizations, equality, fairness and transparency in recruitment processes, ethical assessment practices of public managers in staff assessment processes etc.

Ethics audits to be conducted by SAIs can also create positive changes in the perception of public trust towards state, public sector organizations, rule of law, human rights and democracy. Ethics audits of SAIs promoting public officials’ commitment to the service standards in the

production and delivery of public services would pave the way for increasing the quality of people's lives in many ways. Through ethics audits to be conducted on complaining and whistleblowing policies and practices in public sector, the application mechanisms of citizens regarding unethical behaviours of public officials in public sector organizations, and eventually the ability of citizens to hold public official accountable for their unethical behaviours, would be strengthened. An ethics audit to be performed on citizens' demand and suggestion submission mechanisms regarding the production and delivery of public services in public sector organisations can draw the attention of organizations to the due processes and tools regarding these mechanisms and therefore, a citizen-oriented and participative management approach would be strengthened in public management. Ethics audits of SAIs focusing on freedom of information policies and practices in public sector organizations, can also contribute to protecting and maintaining rights and freedoms of citizens (Uzun 2017, 78).

One of the important fields of applied ethics is environmental ethics. It has developed as a discipline questioning the relationships of human beings with their natural environments, the value of nature that consists of soil, river, plant, animal and similar beings and moral statute of it. It primarily studies what kind of relationship human being should establish with the nature or in broad sense with the outside world (Yağanak and Önköl 2005, 590). People live in an environment, and this environment has all the resources they need to survive. Therefore, it is a main responsibility for everyone to protect and maintain the environment. "Environment" is a subject that should affect all public sector organisations and their decision-making mechanisms at the same time. Public officials and managers are responsible for protecting it and not causing environmental pollution while making decisions or performing activities. They are supposed to make their decisions by thinking about what sort of effects their decisions or activities can have on weather, soil, water and lives of other living beings in addition to the economic and social lives of people. In view of this context, it can be concluded that SAIs' audits focusing on environmental ethics and its place in decision-making processes of public managers and officials could be considered as ethics audit. What follows is that, through ethics audits focusing on environmental ethics, SAIs would contribute to the protection of environment and environmental resources, which are necessary for sustainable development.

6. CONCLUSION

The global crises encountered have been leading countries to question their ethical values and principles and their practices in civil societies, private and public sectors. Therefore, ethics audit to be performed by SAIs to develop an ethics culture in public sector is a prominent subject, and the practices of SAIs' ethics audits are increasing day by day.

As an important component of the National Integrity System (NIS), SAIs have a particular role in promoting integrity/ethics infrastructure systems in public sector organisations through ethics audits. While it is a responsibility of public sector organizations to meet the requirements of ethics management, it should be SAIs' role to assess the efforts and activities of organizations to meet those requirements and submit their key findings and recommendations to the Parliament for making ethics management systems work better and providing sustainability in public sector. By putting ethics management requirements on the agenda through ethics audits, SAIs would provide support to politicians, public managers and regulating bodies in terms of identifying the things that should be done for meeting the requirements of ethics management structures in public sector and for increasing the quality of citizens' lives and the awareness of protecting environment.

In order to achieve the potential impacts or benefits of ethics audits as mentioned above, SAIs should handle this audit approach with a strategic look and identify their ethics audit strategies, including communication with stakeholders, and methodologies. They should allocate due resources to ethics audit and design plans and programs to prepare ethics audit teams equipped with required skills and information necessary for audits. The ethics audit experiences of other SAIs would provide insights and awareness regarding the ethics issues. Therefore, following international practices and approaches in ethics audits would be helpful for SAIs in developing their approaches and methodologies. It should always be kept in mind that SAIs putting ethics audits on their working agendas will always protect and maintain their privileged positions in the eyes of Parliaments, public organizations and public.

REFERENCES

- Eryılmaz, B. 2008. "Etik Kültürü Geliştirmek", <http://etik.gov.tr/Portals/0/makaleler/1-12bilaleryilmaz.pdf> (Access Date: 18.09.2017).
- EUROSAI TFAE (European Organisation of Supreme Audit Institutions -Task Force Audit & Ethics) Paper. 2014. Auditing Ethics in the Public Sector, A General Overview of SAI's

Practices, [www.eurosaitfae.tcontas.pt/activities/Papers/Activities/Auditing%20Ethics/TFAE%20paper%20Auditing%20Ethics%20in%20Public%20Sector%20\(EN\).pdf](http://www.eurosaitfae.tcontas.pt/activities/Papers/Activities/Auditing%20Ethics/TFAE%20paper%20Auditing%20Ethics%20in%20Public%20Sector%20(EN).pdf)
AccessDate: 01.06.2017).

EUROSAI TFAE (European Organisation of Supreme Audit Institutions -Task Force Audit & Ethics) Guideline. 2017. “Audit of Ethics in Public Sector Organisations, www.eurosaitfae.tcontas.pt/activities/Papers/Activities/Guidance/Guidelines%20to%20audit%20ethics.pdf (Access Date: 01.06.2017).

INTOSAI ISSAI (International Organisation of Supreme Audit Institutions- International Standard of Supreme Audit Institutions) 100. www.issai.org/en_us/site-issai/issai-framework/3-fundamental-auditing-principles.htm (Access Date: 01.06.2017).

INTOSAI ISSAI (International Organisation of Supreme Audit Institutions- International Standard of Supreme Audit Institutions) 12. www.issai.org/en_us/site-issai/issai-framework/2-prerequisites-for-the-functioning-of-sais.htm (Access Date: 01.06.2017).

INTOSAI ISSAI (International Organisation of Supreme Audit Institutions- International Standard of Supreme Audit Institutions) 200. www.issai.org/en_us/site-issai/issai-framework/3-fundamental-auditing-principles.htm (Access Date: 01.06.2017).

INTOSAI ISSAI (International Organisation of Supreme Audit Institutions- International Standard of Supreme Audit Institutions) 300. www.issai.org/en_us/site-issai/issai-framework/3-fundamental-auditing-principles.htm (Access Date: 01.06.2017).

INTOSAI ISSAI (International Organisation of Supreme Audit Institutions- International Standard of Supreme Audit Institutions) 400. www.issai.org/en_us/site-issai/issai-framework/3-fundamental-auditing-principles.htm (Access Date: 01.06.2017).

INTOSAI ISSAI (International Organisation of Supreme Audit Institutions- International Standard of Supreme Audit Institutions) 5130. www.issai.org/en_us/site-issai/issai-framework/4-auditing-guidelines.htm (Access Date: 01.06.2017).

Köse,H. Ö. 2007. “Dünyada ve Türkiye’de Yüksek Denetim”, www.sayistay.gov.tr/tr/Upload/95906369/files/yayinlar/Dunyada_Turkiyede_Yusek_Denetim.pdf (Access Date: 02.10.2017).

OECD (Organisation for Economic Co-operation and Development) 2005. “Public Sector Integrity, A Framework for Assessment”, http://www.keepeek.com/Digital-Asset-Management/oecd/governance/public-sector-integrity_9789264010604-en#.WZVPclFJaUk (Access Date: 17.08.2017).

The Council of Ethics for the Public Service of the Republic of Turkey. 2009. “An Ethics Reminder for Public Officials”, <http://etik.gov.tr/Portals/0/en/Ethics%20Reminder%20for%20Public%20Officials.pdf> (Access Date: 25.09.2019).

Uzun, Y. 2017. “Yüksek Denetim Kurumları ve Etik Denetim”, Sayıştay Dergisi, Sayı: 105, www.sayistay.gov.tr/tr/Upload/95906369/files/dergi/pdf/dergi_105_m3.pdf(Access Date: 20.09.2017).

Yağanak, E. ve G. Önkal. 2005. “Çevre Etiği”, Felsefe Ansiklopedisi (ed.A.Cevizci), Ankara, Nobel Yayınları, 3. Cilt, Aktaran: Cevizci, A. 2013. Uygulamalı Etik, 1. Baskı, Say Yayınları, s.121.