



Disciplinary responsibilities of the Ecuadorian auditor for the evaluation of his/her behavior in professional practice

Responsabilidades disciplinarias del auditor ecuatoriano para la evaluación de su comportamiento en el ejercicio profesional

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Abstract

The Office of the Comptroller General of the State, in Ecuadorian territory, is the institution in charge of controlling state resources administered by public servants. For this purpose, it is essential to have the professional service of external and internal auditors who, through audits, guarantee the aforementioned control. The objective of this manuscript is to analyze the disciplinary responsibilities that concern the auditor in the professional exercise and that make it possible to evaluate his ethical and professional behavior; through a documentary research, with a qualitative approach and ethnographic design. Using the interview to collect information from external

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auditors working in the Office of the Comptroller General of the State of the province of Esmeraldas. The results obtained in this research show that in the exercise of the public function, it is a priority to comply with the legal precepts established in the national legal framework; therefore, the government auditor must guide his work under principles and values that regulate his actions and conduct; comply with the duties and prohibitions assigned in the position; in such a way that compliance with the assigned disciplinary responsibilities strengthens confidence in the auditing profession, guarantees the reliability of the financial information and avoids incurring in disciplinary sanctions caused by action or omission that affect the normal development of their attributions.

Keywords: Disciplinary responsibilities, auditor, duties, prohibitions

Resumen

La Contraloría General del Estado, en el territorio ecuatoriano, es la institución encargada de fiscalizar los recursos estatales administrados por servidores públicos. Para tal efecto, es imprescindible contar con el servicio profesional de auditores externos e internos que, a través de las auditorías, garanticen el referido control. El objetivo de este manuscrito es analizar las responsabilidades disciplinarias que atañen al auditor en el ejercicio profesional y que posibilitan evaluar su comportamiento ético y profesional; a través de una investigación de carácter documental, con enfoque cualitativo y diseño etnográfico. Utilizando la entrevista para recopilar la información de parte de los auditores externos que laboran en la Contraloría General del Estado de la provincia de Esmeraldas. Los resultados obtenidos en esta investigación, muestran que en el ejercicio de la función pública, es prioritario dar cumplimiento a los preceptos legales establecidos en el marco jurídico nacional; por lo tanto, al auditor gubernamental, le corresponde orientar su labor bajo principios y valores que regulan su actuación y conducta; cumplir con los deberes y prohibiciones

asignados en el cargo; de tal manera que el cumplimiento de las responsabilidades disciplinarias asignadas fortalezca la confianza en la profesión de auditoría, garantice la fiabilidad de la información financiera y le evite incurrir en sanciones disciplinarias provocadas por la acción u omisión que afecten el normal desarrollo de sus atribuciones.

Palabras clave: Responsabilidades disciplinarias, auditor, deberes, prohibiciones

Introduction

The definition of auditing has evolved over time and different authors have proposed different perspectives. The modern concept, in general, maintains fundamental aspects such as its systematic, objective and independent character and its focus on the evaluation of information, aspects defended in the definitions made by authors such as Holmes (1994) Kell et al. (1995) (1995), the American Institute of Certified Public Accountants (AICPA) (2019) and the International Auditing and Assurance Board (IAASB) (2019) (2019). However, more recent approaches place greater emphasis on essential aspects such as: adding value to organizations, effective communication, risk focus and the use of technologies; trends that reflect the evolution of the profession towards more proactive and strategic approaches, which seek to contribute to the overall success of organizations. In reference, the Standards for the Professional Practice of Internal Auditing (IPPF) of the International Organization of Internal Auditors (IIA) that provide a comprehensive framework for the profession, propose in the 2021 edition of IPPF its audit mission as "an objective and independent consulting and assurance activity designed to add value and improve an organization's governance, risk management and control processes." (IIA, 2021). The auditing profession and auditing as a discipline imply the acceptance of social responsibility and to practice it requires not only technical knowledge but also professional judgment and experience, which will be complemented with academic preparation and continuous study to perform an optimal quality work. (Garcia et al., 2023)

Among the different types of auditing, government auditing, which is the area covered by this research, is a specific type of auditing instituted in all the countries of the region (Aguirre et al., 2020). (Aguirre et al., 2020) which focuses on evaluating financial and operational management and compliance with standards and procedures in government institutions such as public agencies, ministries, etc., whose main objective is to promote transparency, accountability, control and risk mitigation and efficiency in the management of public resources. In the context of the Ecuadorian nation, government audit is defined in the Organic Law of the Comptroller General of the State (LOCGE), in its Article 4, numeral 1 where it states that: "It is an integrated process of advice, assistance and risk prevention, through a critical examination of the actions of public servants, in the exercise of their functions, in order to verify compliance with the legal, regulatory, contractual provisions and the principles of economy, efficiency and effectiveness, evaluating the reasonableness of policies, plans, programs, projects, activities and results of public management, with the purpose of contributing to the improvement of the same (National Congress, 2017).

This evaluation, or also called advisory system, assistance and risk prevention as defined in the preceding paragraph, is developed by the Auditor, which according to ISO 19011:2002 defines it as "a person with the competence (personal attributes, as well as aptitude in the application of knowledge and skills) to carry out an audit" (International Organization for Standardization, 2002). (International Organization for Standardization, 2002). In line with the aforementioned ISO standard the IIA definition focuses on the auditor's competencies and role in providing assurance on the effectiveness of an organization's governance, risk management and control processes by defining its mission as "To enhance and protect the value of the organization by providing assurance, advice and analysis on a risk basis." (IIA, 2024). While the Association of Chartered Certified Accountants (ACCA) in its Code of Ethics and Conduct sets out fundamental principles of ethics for professional accountants, reflecting the profession's recognition of its public interest responsibility, where the principles of integrity, objectivity, professional competence and due care, confidentiality and

professional behavior set the standard of conduct expected of a professional accountant (ACCA, 2023).

On the one hand, these definitions highlight the importance of auditors in maintaining independence, objectivity, transparency, efficiency and risk mitigation within organizations, either by ensuring compliance with regulations, identifying operational inefficiencies or safeguarding assets, thus playing a crucial role in promoting effective governance and control, and on the other hand, they identify the key characteristics of an auditor. Therefore, it can be established that the auditor is a professional who, by contrasting the information available to him on the period evaluated with the applicable regulations, issues the appropriate inconsistencies, non-compliances and shortcomings that should be promptly improved; hence, the role of the auditor is prone to continuous improvement of the circumstances detected, especially if the government sector is concerned, thus responding to the constant need to ensure public resources.

In Ecuador, the Office of the Comptroller General (CGE) is in charge of supervising public goods, guaranteeing citizens the effective use of resources (Vásquez et al., 2023). (Vásquez et al., 2023).. Government institutions and all those that have the use of public resources are governed by a conglomerate of laws, rules, codes, regulations, agreements, instructions, manuals, guides, among others, which standardize the guidelines regarding the use of material, economic and intangible resources, as well as human talent, to ensure the proper functioning and destination of the General State Budget.

It is for this reason that, in the exercise of auditing under a state dependency relationship, legal provisions such as the LOCGE, the Organic Law of Public Service (LOSP) and its General Regulations, the Substitute Internal Regulations for the Administration of Human Resources of the CGE and the Internal Regulations for Occupational Safety and Health, among others, must be complied with regardless of what corresponds to the public servant. Therefore, the functions performed by the tax auditor are considered to be highly important and delicate, and any adverse circumstance could violate them; for this reason, the auditor in his professional development must meet and practice a series of principles and values that guide and regulate

his actions, behavior and conduct; abide by the duties and prohibitions stipulated during his term of office; so as to avoid committing infractions that generate disciplinary sanctions that affect his personal and institutional image, including the removal from office through a process of dismissal.

From the foregoing it is possible to foresee the relevance of defining the disciplinary responsibilities of the auditor for the evaluation of his behavior in the professional practice. On the one hand, to establish the ethical and legal consequences he/she would face in the event of misconduct or non-compliance in the performance of his/her duties and, on the other hand, and crucially for the protection of the public interest, to promote ethics and professionalism, ensure the quality of audits, deter misconduct and allow the investigation and sanctioning of infractions.

The International Standards on Auditing (ISAs), issued by the International Auditing and Assurance Standards Board (IASB) establish the minimum requirements that auditors must comply with when performing audits of financial statements. The ISAs are divided into two main categories: general responsibility standards and specific responsibility standards. The former apply generally to all aspects of the audit, from planning to the issuance of the final audit report, and the latter apply to specific areas of the audit, such as the assessment of fraud risk and the audit of specific transactions.

The most important auditor responsibility standards include:

ISA 200: Overall Objectives of the Auditor and the Conduct of an Audit Using a Risk-Based Approach: States that the overall objective of an audit is to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether caused by fraud or error.

-ISA 240: Auditor's Responsibilities for the Audit of Financial Statements with respect to Fraud: States that the auditor should consider the risk of fraud in performing the audit and should take appropriate steps to detect and prevent fraud.

-ISA 330: Audit procedures related to unaudited financial information: Establishes that the auditor should obtain sufficient

appropriate evidence about the unaudited financial information presented in the financial statements.

-ISA 700: Form and content of the modified audit opinion: Establishes the requirements for the issuance of a modified audit opinion, which is issued when the auditor has been unable to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Each of these standards is underpinned by fundamental ethical principles and values that set the standard of conduct expected of auditors, including the:

1. Integrity: Auditors must be honest and transparent in their work, avoiding any conflict of interest.
2. Independence: Auditors should remain free from influences that may influence their professional judgment and compromise their objectivity in the audit process.
3. Objectivity: The auditor should be objective in conducting the audit and should not allow his or her professional judgments to be influenced by bias or conflicts of interest.
4. Accountability: The auditor is accountable to the client, regulators and the general public for the performance of his work.
5. Competence and professional diligence: Auditors must possess the necessary knowledge, training, skill and experience to perform the audit competently and effectively, complying with the established deadlines and standards.
6. Confidentiality: Auditors must respect the confidentiality of information obtained during the audit and not disclose it without authorization.
7. Professional care: Auditors should perform the audit with due care and attention, applying procedures and techniques rigorously. This means that they should take all prudent steps to obtain reasonable assurance that the financial statements are free from material misstatement.

Therefore, when referring to the disciplinary responsibilities, it is important to precede on the conduct that the professional auditor must have in the exercise of his functions, and with that, the approach of the ethical guidelines that occupy an essential starting point. In

relation to the auditor's ethics Garban(2023) concludes that "The implications in the auditor's ethical conduct and impact on the organization are related to a series of theoretical, practical and spiritual considerations, by enshrining personal and professional values and those of the audit in terms of trust, commitment, responsibility, suitability, domains of the ethical sensitive being, facing the reality of scenarios in which decisions must be made attached to the ethical character".

For Rodriguez and Fabbroni (2021) when the auditor's behavior is unethical and unprofessional, he may fall into different areas of responsibility: civil, criminal and professional These classifications of disciplinary responsibilities by type (criminal, civil and administrative or professional) are based on the characteristics of the facts and the seriousness of the faults or breaches during the exercise of his profession and in correspondence with the laws:

1. Criminal liability: Auditors may face criminal liability if it is proven that they have committed a crime in the exercise of their audit functions, such as falsification of documents, fraud, or gross negligence resulting in significant losses to the audited company or third parties.
2. Civil liability: In the event that an auditor makes errors or omissions in their work that cause damage to the audited company or third parties, they may be civilly liable for the damages caused. In this case, they may have to financially compensate the affected parties.
3. Administrative liability: Auditors may also be subject to administrative liability, for example, if they violate specific regulations related to the audit profession, such as non-compliance with ethical standards, lack of independence, or failure to comply with legal requirements for conducting an audit.

It should be noted that these responsibilities and their classification may vary depending on the context and regulatory framework in which they operate. Therefore, it is essential for auditors to be familiar with the laws and regulations that apply to them in their jurisdiction to avoid potential legal consequences.

It was previously mentioned that auditors have the duty to perform audits in an impartial and professional manner, following established

auditing norms and standards. Failure to comply with their responsibilities as auditors, which may lead to misconduct or non-compliance, errors or fraud in their work, may lead to legal and professional sanctions during the exercise of their profession. Therefore, it is mentioned that the disciplinary responsibilities of auditors are closely related to sanctions.

Penalties for auditors may vary depending on the seriousness of the offense committed. These sanctions may include fines, suspension of license to practice as an auditor, lawsuits and even the definitive loss of the professional license. Hence the importance of knowing and fulfilling their responsibilities in an ethical and professional manner to avoid facing sanctions that may affect their reputation and professional career. Consequently, defining the auditor's disciplinary responsibilities in a clear manner becomes very important in order to establish the set of rules and procedures that establish the legal or ethical consequences that auditors may face in the event that they incur in misconduct or non-compliance during the exercise of their profession. For various reasons, responsibilities oriented to the auditors are mentioned as crucial:

1. Protecting the public interest: The main reason is to protect the public interest and ensure confidence in the auditing profession. Auditors play a fundamental role in society by verifying the reliability of financial information, which is used by various stakeholders, such as investors, creditors, governments and the general public. If auditors do not fulfill their responsibilities in an ethical and competent manner, confidence in financial information is eroded, which can have serious economic and social consequences.
2. Promoting ethics and professionalism: Disciplinary responsibilities serve as a framework for the ethical and professional conduct of auditors. By establishing consequences for inappropriate behavior, auditors are encouraged to act with integrity, independence, objectivity and accountability. This helps to raise the standards of the profession and to ensure that auditors perform their work with due care and diligence.
3. Ensure audit quality: Defining the disciplinary responsibilities of the auditor helps maintain audit quality. A clear system of sanctions for auditors who do not comply with their obligations motivates them

to perform high quality work, following established standards and procedures. This contributes to the timely detection of errors or fraud in the financial statements, protecting the users of financial information.

4. Detering misconduct: Disciplinary responsibilities act as a deterrent to auditors from engaging in misconduct. By knowing the potential negative consequences of their actions, auditors are less likely to commit errors, omissions or acts of bad faith. This helps maintain the integrity and reputation of the auditing profession.

5. Enable the investigation and sanctioning of violations: Establishing auditor disciplinary responsibilities allows regulatory and professional bodies to investigate and sanction infractions committed by auditors. This ensures that those who do not comply with the rules and principles of the profession are duly sanctioned, which contributes to maintaining discipline and order within the profession.

In summary, it is possible to state that defining the auditor's disciplinary responsibilities is essential because it contributes to strengthening confidence in the auditing profession and ensuring the reliability of financial information. Different studies provide evidence from analytical or historical research on the impact of auditor responsibility on audit quality. Analytical studies have shown that audit quality generally increases when the risk of liability increases (Liao & Radhakrishnan, 2020).. Such results support that an increase in auditor accountability is a frequently suggested measure to improve both actual and perceived audit quality(Quick et al., 2023).

All of the above shows that the disciplinary responsibilities of auditors can be diverse and vary from country to country and from one regulation to another, depending on factors such as local legislation in force, the regulations of the profession and international standards.

In the particular case of government audits, the auditor is responsible for examining and evaluating the financial, administrative and compliance operations of governmental entities. Some of the specific responsibilities of the auditor in government audits include:

1. Review and evaluate the design and implementation of the government entity's internal controls.

2. Verify the accuracy, completeness and reasonableness of the financial and operating information presented.
3. Evaluate compliance with laws, regulations and policies applicable to the government entity.
4. Issue audit reports reflecting its findings, conclusions and recommendations.
5. Communicate clearly and effectively with the auditee and relevant stakeholders.
6. Maintain independence and objectivity in the performance of the audit, avoiding conflicts of interest.
7. Comply with the standards of ethics and professionalism required for the practice of auditing.

The Constitution of the Republic of Ecuador (National Assembly, 2008) grants powers to the CGE, as the only technical body in charge of auditing public resources administered by state entities and legal persons under private law. As part of these functions, it is responsible, through the execution of external and internal audits, for establishing administrative and civil liabilities and criminal presumptions. This activity is carried out by auditors who are highly qualified and qualified to perform such work.

With regard to the governmental sphere, and with this, the provision of services to the citizenry, the exercise of ethical conduct; "to exercise the profession or trade subject to ethics" (National Assembly, 2008). (National Assembly, 2008) It is a moral duty of all Ecuadorians, as established in the Constitution. Therefore, in the behavior and actions of the public auditor, his personal values must prevail, as well as his vocation of service, the ethical precepts established by the institution for which he works, since, as far as auditing is concerned, it is presented through the Code of Ethical Conduct (Office of the Comptroller General of the State, 2021) the official provisions that correctly guide the auditor's role.

Methodology

This scientific product conforms to a documentary research (Arias, 2012) It is based on the search, recovery, analysis, criticism and

interpretation of information obtained from documentary sources, i.e., the current Ecuadorian legal framework, as well as the criteria of authors who have addressed the subject; and, on the other hand, from live sources, through the contribution generated by the public officials under study.

With regard to the approach, it is based on qualitative (Hernández et al., 2014) which consists of the construction of an inductive process, starting then, from the principles and values that guide and regulate the actions and conduct of the auditor in the professional practice, through the applicable regulations such as the Code of Ethical Conduct of the CGE, to the legal provisions that establish disciplinary responsibilities for non-compliance, or affectation to ethical behavior, in this case, the LOSEP and its General Regulations, to finally reveal new questions or redefine them, when found in the universe subjected to the analysis.

On the other hand, the applied design is ethnographic (Hernández et al., 2014) The purpose of this study is to investigate, understand, describe and explain from the perspective or points of view of the external auditors, in terms of the exercise of the function, which depending on their performance may receive disciplinary responsibilities.

The information gathering technique was the interview, based on general questions, starting with global approaches, such as the contribution of ethics to the auditor's professional practice, to the approach of specific cases in which disciplinary sanctions have been applied to the auditor; the same duly grounded was directed to the external auditors of the province of Esmeraldas who provide services in the CGE.

Results

The Constitution of the Republic of Ecuador, as the supreme law that governs the entire Ecuadorian territory, prevails over any legal provision, i.e. the hierarchical order of laws must be considered, which therefore should not conflict with the precepts and guidelines that are enshrined in the aforementioned magna carta. 7 of the LOSEP as part of the General Regulatory Framework is responsible for regulating the

functioning of the State Control, Control and Audit System and in its function it will adapt, issue, approve and update, among others, the Policies and Standards for government auditing; as well as the rules, regulations, general and specialized manuals, methodological guides, instructions and other provisions necessary for the application of the system and the determination of responsibilities.

Basic Government Auditing Standards applicable to the auditor

Within the Basic Standards of Government Auditing, the LOCGE establishes in Section 2, Article 25, the independence of the audit staff, based on the total independence of the government auditor with respect to government institutions and the persons and activities subject to its examination. Limiting their practice as auditors in State institutions in which they have rendered their services within the last five years, except in the case of the practice of their profession as internal auditors. As well as the execution of audits in activities carried out by their spouse, or by their relatives within the fourth degree of consanguinity or second degree of affinity, or when there is a conflict of interest. (National Congress, 2017).

The independence of government auditors is the most important requirement for the practice of the profession, the questioning of which diminishes the credibility of the results and eliminates the validity of the report. Independence in their comments, opinions, conclusions and recommendations express their impartiality and should be considered as such by third parties. The existence of independence in their criteria and way of acting implies observing a fair, ethical and moral conduct as well as an objective attitude, which implies that their work is carried out with honesty in an environment of trust that does not compromise the quality of the audit.

Determination of responsibilities. Duties and attributions applicable to the auditor

The LOCGE, with respect to the determination of responsibilities of audit personnel, establishes the duties and powers of public servants involved in the processes of government auditing, predetermination or glossing and the determination of civil liabilities or indications of criminal liability. These duties and attributions are set forth in Art. 79:

To perform its duties with independence, professionalism and objectivity, in accordance with the legal system, especially with the provisions of this Law, the auditing standards, the respective Code of Professional Ethics, the regulations and other provisions issued by the CGE;

To apply constitutional guarantees in the predetermination and determination of administrative and civil liability and indications of criminal liability;

To keep the facts known to them in the performance of their duties confidential and, in the case of information subject to secrecy or confidentiality, to use it only for the purposes provided by law; and,

As the case may be, report immediately, in writing, to their hierarchical superior, on the commission of any serious misconduct or criminal act that they verify on the occasion of the performance of their duties.(National Congress, 2017)

The above standards of behavior refer to the expected and required characteristics applicable to the auditor for the performance of the audit work and the quality of its work.

The Code of Institutional Ethical Conduct (Office of the Comptroller General of the State, 2021) establishes the principles and values for the correct exercise of the profession of external auditors of the CGE, as shown in Table 1.

Table 1. *Principles of CEM*

Principles	Definition
Control, prevention and fight against corruption	To promote a responsible, transparent and equitable exercise of functions; to promote and encourage citizen participation; to protect the exercise and fulfillment of rights; and to prevent and combat corruption.
Legality	To know, respect and act in accordance with the Constitution of the Republic of Ecuador, the laws, regulations, and other provisions that regulate the activity in any area in which they work.
Social Benefit	To privilege the service to the interests of the citizens, in the control of the good use of public resources,

	within processes that favor efficacy, efficiency and effectiveness.
Impartiality and autonomy	To act objectively in the fulfillment of their responsibilities, without yielding to pressures of any kind, and with absolute independence, so that their reports are impartial, and thus are perceived by society as a whole.

Source: Own elaboration (2022). Taken from CEM's Code of Ethical Conduct.

In context, it can be inferred that the principles defined by the CGE, in its Code of Ethical Conduct, adequately respond to its institutional mission "To control public resources to ensure their efficient use for the benefit of society" (Office of the Comptroller General of the State, 2020b).(Office of the Comptroller General of the State, 2020b).It is important to emphasize that government auditors, in addition to knowing them, must practice them as part of their daily actions in the development of their attributions and interpersonal relationships between internal and external users of the entity; concomitant with the values that are an intrinsic part of the human being.

Consequently, the values set forth in CGE's Code of Ethical Conduct are mandatory for external and internal auditors, as shown in Table 2 below:

Table 2. CEM values

Values	Definition
Integrity	Act honestly, reliably, in good faith and in the public interest.
Independence and objectivity	Be free from influences or circumstances that compromise or could be seen as compromising professional judgment, and act impartially and objectively.
Competition	Acquire and maintain knowledge and skills appropriate to the role, act in accordance with applicable standards and with due care.
Professional behavior	Comply with laws, regulations and conventions, and avoid any conduct that may bring CEM into disrepute.

Confidentiality and Transparency	Protect information in an adequate manner, balancing this action with the need for transparency and accountability.
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Source: Own elaboration (2022). Taken from CEM Code of Ethical Conduct.

As can be seen, rectitude in the professional actions of the government auditor is due to the values that theoretically prevail in the institutional normative precepts, which must be put into practice through the observance by the human talent that make up the different institutional dependencies.

Each auditor, during his period of management, must perform and comply with the duties indicated in the respective regulations, the same that guide people to develop what they can and must do in the exercise of their competencies; as well as the prohibitions that limit any act or action in which they must not be involved; both (duties and prohibitions) established, approved and disseminated by the institution or organization, in which the professional provides his services under a relationship of dependence, must be fully known.

In this regard, the duties of government auditors in Ecuador, in accordance with Article 25 of the Internal Substitute Regulations on Human Talent Management, are as follows (Office of the Comptroller General of the State, 2020a), to fully abide by the institutional regulatory compendium and others that are part of the national legal system; citing as an example the LOSEP, the LOCGE, its Regulations and the Code of Ethical Conduct, or any legally approved provision of mandatory compliance, so that:

In accordance with the social benefit, which is part of the institutional principles, the government auditor must carry out all the responsibilities determined by the position and the workday; inform his immediate supervisor of any act that damages the institutional image; safeguard and safeguard the resources under his charge; and, in the event of absence from his duties, he must request permission in a timely manner.

On the other hand, participate in courses, workshops, seminars or congresses duly planned by the Human Resources Management Unit; maintain confidentiality, prevent the misuse or theft of information under his/her responsibility; and comply with the dates stipulated in any assigned activity.

In addition, for official reasons, the auditor must present his or her identification card; respect all employees of the institution at any hierarchical level; update his or her personal information when there are changes; comply with the institution's medical program and the provisions of the CGE's Internal Health and Safety Regulations; make use of the Information and Communication Technologies ICTs for institutional work; use the institutional uniform correctly; register his or her entry and exit in the biometric system; be present at entity events; and other duties set forth in the LOCGE.

In reference to the prohibitions that limit professional actions, the aforementioned Internal Substitute Regulation for Human Talent Management, Article 27, states that the government auditor has the following restrictions: to miss work without justification; to consume alcohol or drugs in the institutional area; and to smoke in areas that have not been declared smoke-free.

Regarding their work occupations, they must refrain from requesting from users documentation not contemplated by the entity; exposing institutional matters to the media, without the approval of the Comptroller General of the State; influencing or interfering in decisions of the institution; using inappropriately, or taking possession of material resources and equipment that the Comptroller General's Office has, including work identification, in case of using it for personal purposes; sustaining inconsiderate behavior with their superiors, colleagues, and even with external users.

In addition, the auditor must not carry out actions that could jeopardize his functions or affect the institutional image; provide information of an official nature without prior authorization; develop acts of refusal without justification, before work orders, or designated activities; the auditor is also prohibited from performing particular acts during his working day, and even if he is in additional hours.

In addition to the above, the auditor must not make use of multimedia reproduction devices in the institutional area during working hours; maintain any kind of responsibility in the personal records of the Comptroller's Office database; and finally, it is forbidden to do anything that, in the LOCGE and other applicable legal provisions, is stipulated as appropriate.

As external auditors belonging to the Ecuadorian public sector, the disciplinary regime is regulated in the LOSP and its General Regulations, so they may incur administrative liability when they fail to comply with their obligations or contravene legal provisions, which will result in the application of an administrative sanction imposed by the highest authority and executed by the Human Resources Management Unit, which will be recorded in writing in the auditor's personal file, in accordance with the basic guarantees of the right to defense and due process.(Presidency of the Republic of Ecuador, 2011).

Disciplinary offenses are originated by the actions or omissions of the external auditor, as a result of the violation of the legal regulations in force in the country, which will allow the sanction to be classified as follows:

Table 3. *Classification of disciplinary offenses*

Type of fault	Definition
Slight	actions or omissions due to slight carelessness or ignorance, which do not seriously alter or impair the normal development and performance of the public service.
Graves	actions or omissions that seriously contravene the legal order or seriously disrupt the institutional order shall be subject to sanction with temporary suspension without pay or dismissal and shall be imposed after an administrative inquiry has been conducted.

Source: Own elaboration (2022). Taken from the LOSP and its Regulations

More detailed information is shown in Table 3, which compiles the conceptualization of minor offenses as established in the LOSP, in accordance with the Internal Substitute Regulation for Human Talent Management.(Office of the Comptroller General of the State, 2020a)issued through Agreement No. 014-CG-2020 of July 8, 2020, the following are considered minor offenses for CGE government auditors:

Table 4. Minor offenses

Unexcused absence of one to two consecutive days.	Being unjustifiably late more than three times in a month.	Failure to record daily attendance on the biometric clock.
Failure to wear the institutional identification card during the regular workday.	Misuse of materials, supplies, equipment and office supplies.	Using computer tools for private or personal purposes.
Causing delay in the route of the Institution's transportation vehicles.	Failure to attend in uniform or incomplete uniform.	Smoking or keeping lit tobacco products in areas of the Institution.
Carrying out activities of a private, professional or commercial nature outside of their duties during the workday.	Failure to show due consideration and courtesy to superiors, colleagues, subordinates or the public in general.	Unjustifiably delaying or denying the dispatch of official business.
Failure to comply with the established procedure for obtaining and justifying per diem and mobilization expenses.	Failure to comply with the provisions established in the Internal Occupational Health and Safety Regulations.	Failure to attend scheduled training and education events.

Failure to attend official events convened by the Institution.	Failure to report changes in data necessary to keep files up to date.	Failure to abide by and submit to internal administrative policies and procedures.
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Source: Own elaboration (2022). Taken from CEM's Substitute Internal Regulations for Human Talent Management.

According to the Regulations to the LOSEP (Office of the President of the Republic of Ecuador, 2011) According to the Regulations to the LOSEP (Presidency of the Republic of Ecuador, 2011), sanctions shall be imposed in accordance with the misconduct committed, whether minor or serious, being in order of severity: verbal warning; written warning; administrative pecuniary sanction; temporary suspension without pay; and dismissal.

In order to address the implications of each sanction, Table 5 shows the manner in which each sanction will be imposed on the employee.

Table 5. *Type of sanction*

Type of sanction	Description
Verbal reprimand	when he/she disobeys his/her duties, obligations and/or the provisions of the institutional authorities.
Written reprimand	when in the period of one calendar year he/she has been sanctioned twice with a verbal warning, a written sanction for minor offenses is applicable.
Administrative pecuniary penalty	when he/she commits repeated offenses that have provoked a written warning on two occasions within a calendar year, the administrative pecuniary sanction imposed shall not exceed ten (10%) percent of the unified monthly remuneration.

Temporary suspension without pay	when he/she fails to comply with the duties set forth in Article 22 or incurs in the prohibitions set forth in Article 24 of the LOSEP, he/she may be sanctioned with temporary suspension without pay, not to exceed thirty days.
Removal	in the cases indicated in Article 48 of the LOSEP, after compliance with the administrative summary procedure. Dismissal is the maximum administrative disciplinary sanction within the public service and shall be imposed only by the appointing authority or its delegate.

Source: Own elaboration (2022). Taken from the LOSP

As evidenced in Article 59 of the CGE's Substitute Internal Regulations for Human Resources Management (Office of the Comptroller General of the State, 2020a) According to Article 59 of the Substitute Internal Regulations for Human Resources Management (Comptroller General's Office, 2020a), tax auditors who, in the exercise of their duties, allow the breach of their obligations or failure to comply with the legal provisions they are required to comply with, may be judged through the administrative disciplinary system, and may even incur in administrative, civil or criminal liability, depending on the seriousness of the offense committed.

The disciplinary measure to be applied must guarantee compliance with due process, inasmuch as the public auditor must exercise his right to defense, and therefore the authorities and other employees of the CGE are obliged to respect legal certainty and the principle of legality, as set forth in Articles 82 and 226 of the Constitution of the Republic of Ecuador, from which it follows that administrative activity may not infringe the legal norms that govern the Ecuadorian State.

Incurring in any of the disciplinary offenses established in the LOSP of the Public Service, leads to the establishment of the following sanctions:

Table 6. *Imposition of sanctions*

Minor offenses	It will result in the imposition of sanctions of verbal reprimand, written reprimand or administrative pecuniary sanction or fine.
Serious misconduct	It shall give rise to the imposition of sanctions of suspension or dismissal, after the corresponding administrative inquiry. Recidivism of minor offenses shall be considered a serious offense.

Source: Own elaboration (2022). Taken from LOSP.

For the application of the sanctions of verbal reprimand, written reprimand, administrative pecuniary sanction and dismissal, it is up to the authority, official or servants of the control body to apply the procedure established for the application of sanctions. The sanctions of temporary suspension without pay and dismissal, merit the application of an administrative summary, initiated by the highest authority or its delegate, which for this purpose is the Comptroller General of the State, who complying with due process, enshrined in the Ecuadorian supreme law, must formally notify the Ministry of Labor.

Conclusions

Servants in the exercise of the public function, who fulfill the roles of external and internal auditors in the entities of the governmental sector, must abide by the guidelines, directives, guidelines or basic guidelines established in the Ecuadorian legal system, especially since they perform a process of control and supervision through audits or special examinations that they execute, which motivates them to practice the competencies and powers that are attributed to them in the constitution and the law.

In order to achieve consistent, ethical and quality work on the part of government auditors, it is vitally important that they internalize and practice a behavior based on principles and values that guide and regulate their actions and conduct in the professional practice, as well

as strictly perform the duties assigned to them, together with the mandatory compliance and observation of the prohibitions in the professional practice.

The actions or omissions committed by them, especially when they make possible the breach or violation of a legal provision, may be subject to administrative sanctions, which may lead to the initiation of disciplinary proceedings by the competent authority, by means of verbal reprimand, written reprimand, administrative pecuniary sanction, temporary suspension without pay and dismissal, subject to respect for the basic guarantees of due process, i.e., legal certainty and the principle of legality.

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