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Ethics, values and culture

Chartered Institute of Internal Auditors

Business ethics, values and culture should be on every internal auditor's agenda. The International Standards regard internal audit in this area as an important part of improving an organisation's governance process.

Ethics

Ethics refer the way an organisation conducts its business: how they treat people, interact with communities, impact the environment, do deals, and make money. Basically it is about actions and decisions. There is no single set of principles that define ethical behaviour.

Several organisations have published material to help people decide what is appropriate for their organisation. For example, The Financial Services Authority has published a simple one page ethical framework that challenges financial service organisation to be open, fair and responsible.

Fourth wave environmentalism: reducing harmful exposures

An overview of the Environmental Defence Fund's (EDF) introduction of the Fourth Wave of Environmentalism. It also provides internal auditors with information on how environmental issues impact organisations and explores their role as key assets in achieving environmental initiatives.

Published February 2019

India's environmental crisis

A case for third-party audits and a comprehensive environmental programme.

Published June 2018

Values

Core values are the moral principles and beliefs of an individual and define what is right and wrong. They are our standards.

In a business context core values help organisations to define how people should behave towards their colleagues, stakeholders and customers, whether they are internal or external.

Culture

The culture of an organisation is described as the mix of shared values, attitudes and patterns of behaviour that give the organisation its particular character. Some people would say: it is the way we do things around here.

Read our guidance on how to audit culture

Legislation

UK Bribery Act 2010
This act introduces a new corporate offence of failure by commercial organisations to prevent bribery. Read our guidance on the Bribery Act 2010

UK Corporate Manslaugher Act 2007
This act makes it possible for organisations to be prosecuted for manslaughter and homicide without the need to identify an individual.

Codes of ethics

Expressing ethical values and embedding these into the organisation is not an easy task. The Institute of Business Ethics has developed a programme that will help you establish, maintain and develop your business ethics.

It includes many examples of codes of conduct for comparison. We have compared a number of codes and found some common principles. While the words may be slightly different the sentiments are the same:

- Operate openly, honestly and fairly
- Fight bribery and corruption
- Avoid conflicts of interest
- Operate with integrity - do what you say

- Comply with applicable laws and regulations
- Treat individuals without prejudice and never tolerate harassment
- Provide a clean, health and safe work environment
- Protect the environment and communities
- Protect confidentiality
- Keep accurate books and records
- Provide high standards of service

Further reading

Research report: Culture: Evolving approaches to embedding and assuranceWhat are core values?
Managing Culture - A good practice guide
Ethical Values for Business Success
Bribery Act 2010
Defining business ethics (podcast) (this works in Google Chrome only)
Ethics of gifts and hospitality
Evaluating ethics-related programmes and activities
Providing ethical assurance to boards
Sustainability
Anti-bribery principles for not-for-profit organisations
International Standards