

**ETHICAL STANDARDS
 INTERNAL CONTROL QUESTIONNAIRE**

Introduction

(As per the Institute of Management Accountants Inc. website: www.imanet.org)
 “Ethics deals with the human conduct in relation to what is good and bad, right and wrong. It is the application of values to decision making. These values include honesty, fairness, responsibility, respect and compassion.”

(Excerpt from the Institute for Global Ethics – Ethics Newslines – October 7, 2002, Volume 5, Number 40)

“Ethical lapses have institution-changing force”.

“When values get twisted and careers go off the rails, the impact can be enormous. Most Arthur Andersen employees were honest, thoughtful people trying to avoid even the appearance of scandal. Yet when a few employees drove this Big Five accounting firm into the ethics wall, the wreckage was so vast that we now have the Big Four.”

Ethics and ethical standards have thus become the focus of greater attention by organizations, especially in the realm of reputation management. Greater emphasis is now placed on accountability, ethics, codes of conduct and monitoring and reporting of violations.

Question	Yes	No	N/A	Comments
Policy Statements <ul style="list-style-type: none"> • How is ethics defined? • Is there a policy statement with respect to ethical standards? • Who is responsible for its review? • Is the statement subject to annual review? • Who is responsible for ownership of the statement? • Who is responsible for its administration? • Does the organization produce an annual report/internal control statement on ethical standards? • Who is responsible for its production? 				
Roles and Responsibilities <ul style="list-style-type: none"> • Does the organization have an Ethical Standards Officer (ESO)? • Who does this individual report to? • Does the ESO have to submit annual reports on possible/potential/actual violations 				

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Date: _____

Reviewed by: _____

Date: _____

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<p>of ethical standards?</p> <ul style="list-style-type: none"> • Are these reports strictly restricted for viewing to the Board or appropriate sub-committee or are they widely accessible to the public? 				
<p>Code of Conduct</p> <ul style="list-style-type: none"> • Are standards of ethical conduct established for employees? • Are third parties e.g. contractors made aware of these standards and the requirement to abide by them? • Who is responsible for production and review of these standards? • What guidance is published with respect to competence? • What guidance is published with respect to confidentiality? • What guidance is published with respect to integrity? • What guidance is published with respect to objectivity? • Are ethical standards based on values or compliance with legal standards? 				
<p>Ethical Conflict</p> <ul style="list-style-type: none"> • What is the general approach to resolving ethical conflict? • Are problems discussed with the immediate supervisor? • How is this evidenced? • What is the procedure, if there is an indication that the immediate supervisor might be involved? • What is the procedure, if a satisfactory resolution cannot be achieved when the problem is initially presented? • How does the organization deal with the propensity for an employee to divulge the possible problem to outsiders/ the media? • How does the organization view whistleblowers? • If a whistleblower has acted in good faith and has divulged information to regulatory and 				

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statutory bodies or law enforcement agencies, what is the procedure for dealing with this?				
Ethics Hotline <ul style="list-style-type: none"> • Is there an ethics hotline? • After a preliminary discussion of the problem, what happens? • How is anonymity preserved? 				
Measurement <ul style="list-style-type: none"> • How is performance against ethical standards measured and monitored? • Who is responsible for this? 				
Ethics Training <ul style="list-style-type: none"> • Is ethics training provided? • Are new employees provided training on ethical standards as part of their induction and is attention drawn to the organization's standards of ethical conduct? • Who provides this training? • How often is this training provided? • Is this training made available to third parties such as contractors? • Is it available on the intranet? • Is it adequate? 				
Enforcement <ul style="list-style-type: none"> • How are ethical standards enforced? • Who has responsibility for enforcement? • Is the organization subject to an ethics review? • Is there an Ethical Standards Committee? • What is its role? • Does it have formal terms of reference? • Is it a permanent committee? • What is the composition of the committee? • How often does it meet? 				
Violations <ul style="list-style-type: none"> • What is the procedure if the committee believes a violation has occurred? • How are decisions of the committee documented? 				

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Question	Yes	No	N/A	Comments
Fairness <ul style="list-style-type: none">• Is the system considered to be fair?• Is the system subject to independent review and if so, by whom?				