**Towards an ethics framework in Namibia: An internal audit perspective**



**Figure 1: Ethics management framework**

Source: (EthicsSA 2014:5)

**Table 1: Proposed ethics framework for managing and assessing ethics**

| **FRAMEWORK (ELEMENTS)** | **ASSESSMENT TOOL/METHOD** |
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| **Ethical Leadership** |  |
| An ethics expert sits on the board | Review the board minutes to assess the contributions made by the expert when ethics related matters are discussed.  Assess whether the person is adequately qualified through an interview and doing reference checks  Vet ethical qualifications to determine authenticity thereof |
| The board has set ethics objectives | Benchmark ethics objectives against those of a similar organisation  Obtain the strategic objectives and assess whether ethics and values are incorporated.  Verify that the board approved the code of ethics |
| The CEO is responsible for ethics management to the board | Assess the quality and content of the reports the CEO presents to the board  Review the minutes of the board meetings and management committee meetings and determine the quality and content of the ethical matters reported on by the CEO  Assess whether the CEO has attended ethics training  Assess the CEO’s job description for this responsibility |
| The Board has allocated appropriate resources to the ethics programme | Assess the effectiveness of the ethics programmes and whether any ineffectiveness can be related to a lack of resources   * Review the budget items related to the ethics programme for adequacy * Review the organogram and reporting lines of the ethics office and its staff for adequacy   Obtain a list of ethics incidents and assess who and how they were resolved and whether this can be linked to adequate or a lack of resources |
| Ethics forms part of business communication and business agendas | * Obtain the minutes and agendas of various meetings and asses whether and how ethics matters are discussed and communicated |
| **Ethics Governance Structures** |  |
| Ethics office and ethics officer that manage the operational aspects of the ethics programme exist | Assess the job descriptions for specific ethics-related tasks  Assess whether these tasks are executed and linked to Key Performance Indicators  Assess the reporting structure of the ethics office |
| Ethics officer monitors ethical behavioural standards and reports the organisation’s ethics performance in a formal, written internal ethics report | Assess the report and verify the reported content and whether it has been signed off by the board and distributed to the relevant? people.  Perform a quality review on their operations in line with their mandate |
| Ethics (board sub) committee with formal assigned duties exists | Assess the committee reports, minutes and agendas for ethics matters  Assess the committees’ composition and review their minutes to assess the quality of the discussions |
| **Risk Assessments** |  |
| Regular ethics risk assessments are conducted | Benchmark the assessment process and results and re-perform the assessment  Assess that the assessment process is adequate and the right people are involved and assess the methodology that is used |
| Ethics risk and opportunity profile is prepared | Assess the quality and implementation of the actions to address the risks and opportunities |
| **Ethics strategy & plan** |  |
| An ethics plan which includes strategies on how to establish an ethical culture is established by the ethics committee | Assess whether the plan is communicated to staff and assess compliance to the plan  Desktop review on the plan assessing the timelines and implementation  Perform a climate survey after the plan is executed to see if the ethical culture improved |
| **Code of Ethics and related policies** |  |
| Board approved a code of ethics and rules of conduct exist and are signed off by employees on a regular basis | Verify list of employees to the sign off sheets and assess the adequacy of the signoff intervals |
| Policies (such as conflict of interest, gifts and entertainment) that mitigate the identified ethics risks and exploit the ethics opportunities are established | * Assess whether the policies are communicated to staff * Interview staff and determine whether they are aware of the requirements   Test compliance to the policies and whether they are regularly reviewed for relevance |
| Ethics communication strategy that formalises two-way communication on ethics between the company and its internal and external stakeholders is implemented | Assess the communication policy for ethics elements and whether it provides clear communication channels |
| Ethics conflict resolution mechanisms that make provision for resolving ethical dilemmas | Assess the compliance to the policies by selecting a few conflict cases |
| **Institutionalisation** |  |
| Regular management driven ethics awareness campaigns are held during induction as well as on an on-going basis | Assess the campaign content against the ethics strategy and plan and look at the attendance registers  Assess the qualifications of the facilitators |
| Ethics training run by the ethics office based on the code of ethics and rules of conduct is done | Assess the training material and attendance by staff for adequacy  Assess the qualifications of the ethics officer |
| Identification of internal and external stakeholders who define ethical and unethical behaviour is part of the stakeholder relations process | Assess the stakeholder management programme and determine whether all stakeholders have been identified |
| Ethics compliance forms part of performance goals of staff | Review the job descriptions and performance assessments and assess whether staff goals contain ethical elements such as values  Assess the bases for the ratings given on this goal |
| IAFs is involved in ethical matters such as fraud assessments, health and safety audits, conflict of interest matters | Assess the internal audit charter to determine if these items are included specifically  Perform a quality assurance review on these matters |
| **Monitoring & reporting** |  |
| Ethics office reports on the progress of the ethics plan to the ethics committee | Assess the plan against the report content  Assess the quality of the reports |
| Ethics office report to management and the board includes aspects such as:  Ethics risk identification and assessment  Ethical misconduct, as well as good ethical behaviour  Details relating to all ethics related policies and procedures | Assess the content of the reports and the minutes of the meetings to determine whether reported items are discussed  Assess the quality of the actions that address the reported matters |
| Board & management performance assessment have ethical leadership as a part thereof | Enquire from staff whether management lives the ethics (Survey)  Review the performance goals and the ethical element of the goals of the board and management |
| Whistleblowing hotline as an anonymous mechanism for internal and external stakeholders to report legal or ethical misconduct, exists | Assess what is being reported and whether actions are taken against the perpetrators  Review the service level agreement of the service provider |
| **Independent assessment and report to internal & external stakeholders** |  |
| Regular internal assessment of the effectiveness of the ethics programme by the IAF. Results of assessment reported to the board and audit committee | Perform a quality assurance review to determine quality of the internal assessment  Assess whether ethics audits are part of the audit plan |
| Reporting on the company’s ethics performance to stakeholders in the annual integrated report or sustainability report | Assess the validity of the reported items in the integrated report |
| External auditor verifies the detail in the report and issues an assurance statement on the materiality, completeness and reliability of the information related to ethics performance | Inspect the assurance statement and assess the information against the ethics findings raised in the management letter  Perform a quality assurance review to determine external assessment |