

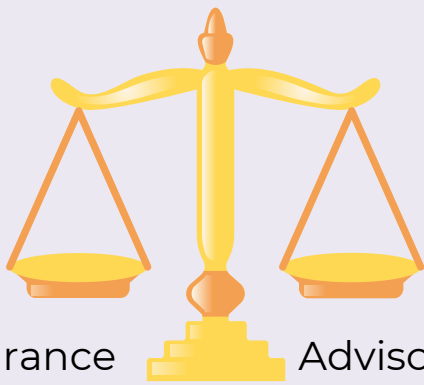
# Riskification internal auditors ethical deliberation

## Research approach

method: Qualitative - interviews  
 population: 33 Canadian public sector Internal Auditors  
 country: Canada  
 year: 2018-2019



## Context of internal auditor



Assurance      Advisor

Dual role can cause ethical deliberations  
 Assurance provider: distance  
 Advisor: involvement

## Theory

**Norms:** what is mandatory or permitted in different circumstances

**Values:** ideals that individuals strive for (e.g. integrity, transparency)



## Findings

### Three types of logic

#### *norm*

#### Deontological

Behavior is regulated through norms

#### *norm <-> value*

#### Prudential logic

Behavior is regulated by weighing up of identified risks

#### *value*

#### Axiological

Behavior is regulated through values

### Two types of deliberations

#### *ethical dilemma*

you do not know what action to take: uncertainty regarding the most proper thing to do

#### *ethical issue*

you know what action to take but wonder if it is the right thing to do given the specific context

### Most common contexts of ethical deliberation

- Relational difficulties with the managers of the audited entities
- Lack of human and material resources
- Instrumentalization of the internal audit function by audited entities
- Deficient control environment/ethical infrastructure in the organization on which the internal audit function depends
- Credibility of internal audit function questioned
- Conflict of interest - apparant or real
- Plurarity of roles of the internal audit function

## Key insight

Reflecting on the context and discussing internal audit actions within your team from the perspective of the above ethical deliberations framework can increase: awareness and transparency of the decision making process