

AUDITING ORGANIZATIONAL CULTURE

When organizations fail, any subsequent review or post-mortem tends to attribute the failure to culture. Almost every major corporate scandal of the last century has, in part, been due to certain cultural weaknesses – either by having the wrong tone at the top, or by individuals not acting in accordance with the organization’s ethics and values. A harmful corporate culture can be detrimental to the long-term health of the company and its employees. Failures are very visible to customers, shareholders and the wider community and can seriously erode confidence and trust.

An organization’s culture develops over time, and is influenced by external factors and pressures, as well as the ways that internal systems, processes and roles inter-relate. Problems can occur when that interaction between external drivers, aspects of the organization’s internal system (e.g. incentives) and individual behaviors, become significantly misaligned. The question to ask is what can be done to detect and improve the control environment?

As independent assurance providers, the mission of internal auditors is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The term risk-based here, directs internal auditors to the fact that they should be focused on the risks that matter to enterprise value and the achievement of corporate objectives.

Organizational Culture is one such major risk, and how this risk is managed, can decide the difference between a business that lasts and one that crumples under pressure.

Course Outline: Key highlights

- Introduction
- Top 10 Business Risks
- Classification of Top Risks in a simple but effective way
- One of the topmost risks that has remained latent, and has escaped the attention of auditors

Organizational Culture

- What is it?
- Popular definitions
- Toxic & Healthy Organizational Cultures
- Major Corporate Scandals – Case studies

Organizational Culture & Internal Auditing

- Why audit Organizational Culture?
- Are Internal Auditors qualified to audit Organizational Culture?
- Group exercise on knowing your Organization's Culture
- Internal Audit's Role vis-à-vis Organizational Culture

The Organizational Culture Audit

- A model for auditing Organizational Culture
- Steps involved in an Organizational Culture audit
- Dos and Don'ts of Organizational Culture Audit
- Skills required and techniques to gather information
- Areas of Cultural Analysis
- Identifying and Measuring Ethical Culture
- Using a Maturity Model – Group Exercise involving development of the maturity model
- Reporting results of Organizational Culture audit

Course Duration: 1 Day

CPEs : 8

Knowledge Level:

Considering that the attendees will comprise auditors having varied skill levels, the course would be tailor-made to provide the required knowledge at all levels