Governance of Ethics Framework

The Ethics Management Framework is the cornerstone of The Ethics Institute’s conceptual approach to organisational ethics.

What is ethics management?
Ethics management refers to all organisational interventions aimed at creating and maintaining an ethical culture.

What is the framework?
The framework explains the structures, reporting flows and core components of the governance and management of ethics. The Ethics Institute uses this original framework in most of its output – both in research material, and in ethics services to clients. In other words, it informs the way we train, assess, advise, and raise awareness about, ethics.

The framework incorporates the guidance given by the King IV Code on Corporate Governance on ethics programmes, and can be applied to both the private and public sectors.

1. Leadership commitment
2. Governance structures
3. Ethics Management
4. Independent assessment & external reporting

The governance of ethics framework

1. Leadership commitment
   - Strong leadership commitment that sets a clear ethical tone is critical to the success of ethics management interventions. Leaders should know their proactive responsibilities in this regard.

2. Governance structures
   - Organisations should ensure that their governance structures take responsibility for the governance of ethics. This entails setting the strategy and policies guiding the organisation’s ethics performance. The governance structure – either the governing body or a sub-committee thereof – is responsible for oversight as well as external reporting to stakeholders.

3. Ethics Management
   - Executive management should ensure that there are structures and people dedicated to managing the organisation’s ethics. This is part of the implementation of ethics management, which involves five key processes:
     a) Ethics risk assessment
     b) Ethics strategy
     c) Code and policies
     d) Institutionalisation
     e) Monitor and report

4. Independent assessment & external reporting
   - There should be an independent assessment of the ethics management processes (by, for example, internal audit) and of the ethics management reports (by, for example, external auditors). This information should then be reported to external stakeholders in integrated, annual or sustainability reports.

For more information visit www.tei.org.za or call 012 342 2799 or email info@tei.org.za.

The Ethics Institute (TEI) is an independent institute producing original thought leadership and offering a range of organisational ethics-related services and products.

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