

GENERAL WORK PROGRAMME FOR THE AUDIT OF ETHICS

1. Objectives of the study

1.1 General objective

Contribute to the strengthening of the institutional framework regarding ethics, through a revision of its operation and effectiveness.

1.2 Specific objectives

[Adjust in accordance with the intended scope given to the audit.]

- Determine the existence and the shaping of the ethical program, as well as the extent to which this complies with the regulations in force and is applied in organisational management.
- Assess the relevance and enforcement (perceived and real) of ethics and behavior of the organisation, including that related to priorities, ethical effectiveness and commitment demonstrated in ethical matters.
- Examine the extent to which the values and ethical principles, guidelines and processes are integrated into Management Systems of the Organisation, particularly in the areas of greater sensitivity and exposure to risk

2. Scope

The study will cover the period ____ [insert period] and be applied in [indicate areas of the institution to be covered, or will be applied to the entire institution], notwithstanding that the aforementioned temporal and institutional coverage might be extended in accordance with the professional judgment of the Internal Audit. It will be developed subject mainly to the General Standards for the Public Sector Auditing (R-DC-64-2014), the Standards for the Practice of Internal Auditing in the Public Sector (R-DC-119-2009) and the "Technical Guide for the development of ethical audits" (www.cgr.go.cr) and other applicable regulations.

The following procedures are a basic guide for the implementation of the project, in accordance with the general objective and scope of the study

NO.	PROCEDURES	Responsible for	REF. to P/T
	PLANNING		
1.	Obtain information about the institutional framework concerning ethics in the Organisation, through the compilation of the documents that establish corporate ethics - codes of conduct, ethics, standards, policies, procedures and information on the functions, responsibilities and charges that are related to corporate ethics (compliance officers, directors of ethics, human resources managers, etc.) and other existing information related to the subject.		
2.	Obtain knowledge about the control environment. For the purpose, consider the results of the annual institutional internal control system self-assessment, and also identify key factors for evaluating compliance with applicable regulations.		
3.	According to the information obtained, complete the "Guide for assessing the ethical framework", in order to establish the institutional context on the subject.		
4.	Assess the risks associated to ethics, in order to identify critical areas to be evaluated in the review stage. As a complement, use diagnostic tools such as analysis of strengths, weaknesses, opportunities and threats (used as a reference document "Guide to the SWOT analysis of organizational ethics").		
5.	Develop the specific audit program, clearly establishing the following: objectives, nature, scope, opportunity and timing of procedures. Based on this, proceed to the examination phase, considering the corresponding procedures as determined to make a comprehensive audit or specific components of the institutional framework in the ethical field.		
	REVIEW		
6.	Present the beginning of the study to the institutional head and the senior management, in order to expose them to the objectives of the study, the evaluation criteria and other relevant matters.		
7.	Obtain from the head information on the institutional framework in the ethical field. Use as reference the "Guide to interviewing top management"		
8.	Schedule and conduct the necessary interviews to senior management, to collect the information required for the study. Use as reference the "Guide to interviewing senior management and others" (e.g., human resources, planning, contracting, legal, etc.).		
9.	ON THE ETHICS PROGRAMME		
9.1	<p>With respect to the ethics programme existing in the Organization, determine the following:</p> <ul style="list-style-type: none"> • If the institutional head, the senior management and other officials of the institution participated in its establishment. Assess the leadership exercised by the head. • If the impact of external parties concerned was considered for its definition • If regulations applicable to the entity in the field of ethics were contemplated. Consider, among others, the following: 		

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	<ul style="list-style-type: none"> - "General guidelines on ethical principles and statement to be observed by top officers, senior officers, officials from the Office of the Comptroller General of the Republic, internal audit and public servants in general" (D-2-2004-CO of 12 November 2004). - Decree Executive-33146-MP of 24 May 2006, published in <i>La Gaceta</i> No. 104 of 31 May 2006 • Whether it is sufficiently clear and it contains the necessary factors on the theme: statement of values, code of ethics, vision and mission, ethical management indicators, implementation strategy. • Whether all members of the organisation are aware of it and it is available. Assess whether it has led to a proper understanding and comprehension. • Whether it is reviewed, updated and reported periodically. 		
9.2	<p>Determine whether strategies for incorporating ethics in the organisational culture, and for its support and strengthening have been defined. If so, check if such strategies are included:</p> <ul style="list-style-type: none"> • The definition of ethical commitments. • Policies regarding: disclosure of the ethics program, actions and responsible persons, review, update and monitoring, management of fraud and corruption, treatment of conflicts of interest, management of allegedly unethical behaviour, zero tolerance for unethical behaviour, fraud and corruption, management of human resources, commitment to internal control, social responsibility and responsibility towards the environment. • Regular programs to update and renew the organization's commitment to an ethical culture. <p>. Analyse the scope, content and implementation strategies, as well as its communication to all members of the organisation.</p>		
9.3	<p>Determine whether the Administration has defined and formally assigned the corresponding responsibilities, in accordance with the strategies defined in the field of ethics, and if it accountable on this issue. Also consider if there is a Securities Commission at the institution.</p> <p>Verify the fulfillment of the responsibilities assigned and its effectiveness.</p>		
9.4	<p>Determine whether there are appropriate mechanisms for forecasting and managing of conflicts of interest and unethical behaviours. If so, check:</p> <ul style="list-style-type: none"> • If regulations and applicable criteria on this issue have been set, as well as channels of communication for their attention, accessible and known to all members of the organisation. • If the handling of these cases is carried out consistently, impartially and objectively, independently of the offending member. • If the complaint on this type of behaviour is promoted. • If it leads to the confidential report of alleged breaches in ethics. • If a prompt and proper evaluation of ethical consequences of certain behaviours, research, penalties and disciplinary action, as provided in the 		

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	regulations and criteria, is made.		
9.5	Determine whether there are mechanisms to follow-up the effectiveness of the ethics program and the existence of conditions which may negatively affect the ethical culture, and to take appropriate action. Establish the frequency of application and effectiveness of the results.		
10.	ON THE ETHICAL ENVIRONMENT		
10.1	Verify whether as part of the follow-up of the system of institutional internal control, the annual self-assessment of this system has referred to the ethics matter. Assess the scope, results and subsequent actions.		
10.2	<p>Verify whether the monitoring mechanisms in ethical matters include regular application of surveys, assessments and diagnoses. Assess the effectiveness of these mechanisms, considering the results and subsequent actions.</p> <p>In the event that no instrument of those ones specified has been implemented, proceed to make a baseline survey to reference staff (using the instrument. "Survey to the staff of the institution" If such instruments have been previously applied, assess the implementation of the survey to staff to update and verify the results.</p>		
10.3	<p>Based on the results obtained in the above procedures 10.1 and 10.2, assess the following:</p> <ul style="list-style-type: none"> • Whether there is a clear understanding of the values and ethical principles, and the need and scope of their observance. • Whether it is perceived that the managerial levels have a high commitment to ethics, as evidenced by their verbal expressions and behaviours. • Whether it is perceived that the managerial levels have the proper opening for the treatment of allegedly unethical conduct and conflicts of interest. • Whether it is perceived that in decision-making is considered its impact on ethical matters. 		
10.4	Assess whether frequent communication, motivation and demonstration of ethical attitudes and behaviors are provided by organisation leaders (chief and senior officers) and determine whether it adequately responds to put in place practices (not isolated ones). For the purpose, see the analysis in accordance with section 10.3 and the review of documents showing such communications (e.g., newsletters, transcripts or recordings of speeches, resolutions, meeting minutes, etc.)		
10.5	<p>Identify whether as part of the organizational actions, it is provided:</p> <ul style="list-style-type: none"> • Positive personnel practices that encourage every employee to contribute to the ethical environment of the organisation. • Motivation to officials to be responsible for their ethical conduct and to inform to their superiors about the possible opposition to the ethics of actions that they are requested to undertake. • Regular statements from employees, suppliers and customers, claiming that 		

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	<p>they know the requirements of ethical conduct for transactions with the organization.</p> <p>Assess the frequency and effectiveness of the actions carried out.</p>		
10.6	<p>Determine whether there are formal mechanisms for reporting complaints, reports, recommendations and other communications of officials and individuals interested in ethical matters. If so, find out about the following:</p> <ul style="list-style-type: none"> • The volume and nature of complaints and allegations. • The procedure that has been given to the complaints, reports, recommendations and other communications. • The measures that have been taken from all these communications. <p>Based on the inquiries made, assess the effectiveness of the formal mechanisms as instruments to strengthen institutional ethics.</p>		
10.7	<p>Check whether there have been awareness-raising, internalization and training activities related to organisational ethics, and whether they have involved all members of the organisation. Consider the ratings of activities by its participants. Assess the extent, quality and frequency of these activities and access by all staff.</p>		
11.	<p>ON THE INTEGRATION OF ETHICS IN GOVERNANCE SYSTEMS</p>		
11.1	<p>Identify the management systems of greater sensitivity and risks associated with ethics. Determine whether the procedures related to those systems include actions consistent with the institutional framework in ethical matters, including the prevention and detection of unethical behaviours and conflicts of interest.</p>		
11.2	<p>Check if as part of the process of human resources management it is provided the institutional framework in ethical matters, specifically in recruitment, bonding, training, evaluation, promotion and disciplinary actions. Assess its scope and operation</p>		
12.	<p>Apply other procedures which are necessary, in accordance with the objectives and scope of the study, as well as the results that have been obtained, as progress has been made in the audit.</p>		
13.	<p>According to the information obtained and the scope of the study, determine at what level of maturity that internal audit considers that the institution is with respect to the components of the institutional framework in ethical matters evaluated; if a comprehensive evaluation is performed, determine the level of maturity regarding the institutional framework considered in its entirety. Use as a reference the "Institutional ethics maturity model".</p>		
14.	<p>Analyze the information obtained and develop in accordance with the respective guide and the summary of findings sheet ^{III} both instruments provide support in determining the attributes of a finding, and to assess their importance and draw conclusions and recommendations of the issues identified in the audit studies.</p> <p>For these purposes the suggested format should be used as a reference.</p>		
15.	<p>Document properly each phase of the study, using records that include, as a minimum, the application of the procedures under this work program.</p>		

NO.	PROCEDURES	Responsible for	REF. to P/T
	COMMUNICATION OF RESULTS		
16.	Implement the communication of results phase for which, among others, should be considered: <ul style="list-style-type: none"> • Prepare the report of results • Perform the final results conference • Send formally the report of results 		

3. Resources allocated

Staff: Specify the name of the officer in charge of the study; if it is a team, mention the names of the members and indicate who will lead the team, as well as other roles deemed necessary to be highlighted.

Time: Indicate the time estimated for the study, as well as the start and end dates. Consider that the study should be completed no later than 30 September 2008, date in which the communication of results phase must have been concluded.

¹¹ (This document constitutes a support in the determination of attributes of a finding, as well as for assessing its importance and to establish conclusions and recommendations of the issues determined in the audit).