

Ethical Maturity Index: Questionnaire

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Patrick McNutt and Elena Demidenko have developed a questionnaire to enable management self assessment of current situation and articulation of the future state of Ethical Maturity of Risk Governance in an organisation and areas for improvement. The questionnaire is based on the criteria presented in the Framework for an Ethical Maturity Index and conceptual fundamentals of sound Corporate Governance as well as Internal Environment articulated in COSO ERM.

The targeted audience of the questionnaire are senior management and non-executive directors. Some questions are designed in such a way that an answer to one question can lead to conclusions on multiple components of the risk governance structure. The self-assessment can be conducted as a survey or by an external facilitator during interviews with directors and management. The answers to such questions are analysed after the interview / survey and the assessment of the current and future situation is completed based on the scores which follow the questionnaire.

Ethical Maturity Questionnaire

Date	
Name	
Position	
Company	

#	Ethical risk governance component	Question	Answer	Current maturity ¹	Desired maturity
1	Ethical values	Have ethical values been articulated, documented and consistently demonstrated in your organisation?			
2	Duties	What level of management is accountable for risk management responsibilities?			
3	Responsibility	Has your organisation assigned responsibility for risk management function to a single individual or a particular level of corporate / functional management?			
4	Responsibility	What level of corporate management should be responsible for risk management function?			
5	Responsibility	What level of corporate management maintains primary accountability for management of the risks in your organisation?			
6	Accountability	What level of corporate management should be accountable for management of the risks in your organisation?			
7	Accountability	Are there owners of key risks in your company? Who are they?			
8	Risk management structure	Is the risk management function centralised in your organisation?			
9	Risk management	Is there a senior risk management officer in your			

¹ Maturity assessment relates to the levels of the Ethical Maturity Framework and a score relevant to a maturity level is assigned, vide table “Ethical Maturity score” :

#	Ethical risk governance component	Question	Answer	Current maturity ¹	Desired maturity
	structure	organisation? Does the officer provide focus and leadership to the risk management?			
10	Accountability	Is risk management a performance measure of your organisation?			
11	Accountability	Is risk management is embedded as a performance measure at the individual performance level?			
12	Responsibility	Do risk management roles and responsibilities contribute to business success and achievement of organisations' competitive advantage? Or are they focused only on risk assessment, reporting, and assurance around risks and their controls?			
13	Responsibility	Are roles and responsibilities for risk management consistently applied at all levels of the organisation?			
14	Accountability	How do you ensure that accountabilities for risk management are effectively implemented and performed on the regular basis? Is it done mostly by internal or external means?			
15	Internal controls / activities	In your opinion, what is the role of internal audit in the organisation?			
16	Accountability	Does an audit committee have powers to enforce accountability for good risk management ? Does it exercise these powers?			
17	Sponsorship	Who is the main sponsor / sponsors of good risk management in your organisation: board, executive, audit committee?			
18	Risk management philosophy and policy	Are risk management principles articulated in your organisation? What documents do articulate the principles?			
19	Communication	What other means of risk management communication			

#	Ethical risk governance component	Question	Answer	Current maturity ¹	Desired maturity
		exist in your organisation?			
20	Communication	Who initiates the communication on risk management: Board, Senior Executives, employees when need arises?			
21	Communication	In your opinion, is external and internal communication on risk management consistent?			
22	Communication	Is “risk” have a consistent interpretation on all level of management? Does the value of risk management vary on the board, executive and middle management levels?			
23	Risk management structure	In your opinion, is management involved in setting the appropriate risk structure for the organisation?			
24	Risk management structure	What role does management have to play within the structure?			
25	Risk management structure	Is functional oversight incorporated into the risk management organisational structure?			
26	Board and Senior executives	How are the Board’s operations defined in your organisation?			
27	Board and Senior executives	Do Board and executive agendas include risk and control as a core item?			
28	Board and Senior executives	What is the main focus of operation of audit / risk management committee in your organisation?			
29	Board and Senior executives	Does audit / risk management committee challenge the information contained on the organisational risk profile?			
30	Board and Senior executives	How does the board delegate authorities around risk management and control to the executives?			
31	Board and Senior executives	How and at what corporate level risk management strategy is set ?			

#	Ethical risk governance component	Question	Answer	Current maturity ¹	Desired maturity
32	Board/Executive /Committees	How and at what stage of the business planning cycle is risk management strategy linked to the business strategy?			
33	Commitment to competency	Are skills of the Board, audit committee and management reviewed to ensure that they are capable of fulfilling their responsibilities in relation to risk management?			

Ethical maturity score

Maturity Score	Risk governance ethical maturity level	Assessment implications
0	Ad-hoc, not in compliance	No developed / defined
1	Isolated activities	Significant improvement is required
2	Coordinated activities	Minor improvement is required / desirable
3	Holistic ethical system	Effective