

Conducting an Ethics Audit

Follow this road map for conducting an ethics audit at your organization:

Define the Purpose

Example: “To review the operations of the nonprofit organization to ensure that it both knows and complies with: (i) the minimum standards set by law (societal/ legal audit); (ii) the higher standards that the organization should have of itself (internal audit); and (iii) the highest standards that the organization strives to achieve for those with which it interacts, including donors and the general public (relational audit); and (iv) in the process, identify any areas that need improvement so corrective action can be taken.”

“A comprehensive ethics audit should assess the extent to which... agencies have practices, procedures, and policies in place to protect clients, identify ethics-related risks, and prevent ethics complaints and ethics-related litigation.”

-- Frederick Reamer, in *The Social Work Ethics Audit: A Risk Management Tool*

Process: Who: Who should be involved in the ethics audit? A task force of board members and staff? Will other volunteers from the community be asked to participate? Donors? An ethics audit is most effective when it is conducted throughout the organization – not just with senior staff or board members, but also with representative volunteers in the field, staff behind the scenes, and other stakeholders of the organization.

What: The audit process should look at the overall organization, as well as its component parts, such as special program areas, operational and administrative areas such as fundraising, personnel practices, document storage/confidentiality of information regarding clients and others, use of resources, conflicts of interests, and more. The review should address, among others, the following questions:

1. Do external laws apply to the organization, and do the people who need to know about those laws [e.g., employees, part-time and summer help, volunteers, and agents] know the requirements?
2. Do internal, agreed-upon values/standards exist? (does the nonprofit have a Code of Ethics, or Statement of Values?)
 - If so, are those internal and external standards shared in a meaningful way?
 - Do the organization’s actions align with its articulated values?

- Does a system exist (and is it known) for complaints about ethical issues?
- How are the articulated values kept visible and vibrant?

When: A comprehensive ethics audit should be conducted regularly, such as every 3-5 years (depending on the needs of the organization) with periodic reviews more frequently (such as an annual review of any changes to external legal standards), to review written guidelines (such as a code of ethics), or the soundness of training or preventive assistance programs.