



Audit in Motion: Ethics, AI, and the Power of Technology & Innovation

December 5, 2025



The Institute of
Internal Auditors

Florida West Coast



SCOTT MADENBURG

AUDIT, RISK, COMPLIANCE
ADVISOR | TRAINER | SPEAKER



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Disclaimer: The information provided in this training session and accompanying handouts is for educational purposes only. While every effort has been made to ensure the accuracy and completeness of the content, the presenter assumes no responsibility for errors, omissions, or any outcomes related to the application of the information provided. Participants are encouraged to seek professional advice or consult relevant guidelines for specific situations.

Sharina Wisdom Toaether



FUN FACTS!

My daughter is my Life!

My wife gave me my Life!

My dad is my Hero!

My mom is my counselor!

My sister is the "test child"!

My parents, sister, and I are the Griswolds!

My hobbies are photography, cars, and DIY!

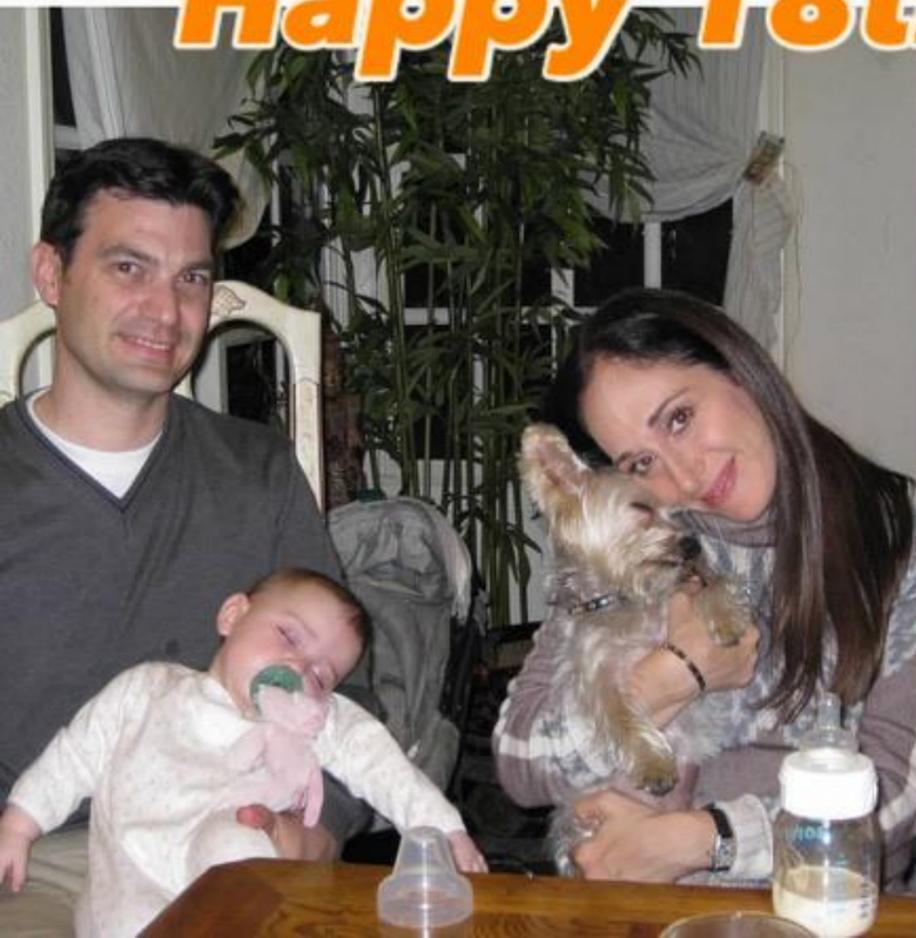
Being here today, is what I'm passionate about!

Porsche, there is no substitute!





Happy 18th Birthday!



Meet ARCHIE



The Audit, Risk, and Compliance Yorkie

Agenda / Session Flow

TIME (ET)

AGENDA ITEM

8:00 – 8:15 AM



Breakfast

8:15 – 8:20 AM



Welcome / Announcements

8:20 – 10:00 AM



Session 1: Navigating Ethical Complexities in Today's Complex World

10:00 – 10:15 AM



Break (15-minutes)

10:15 – 11:55 AM



Session 2: Harnessing AI: Revolutionizing Internal Audit, Cybersecurity, and Compliance

11:55 – 12:50 PM



Lunch (60-minutes)

12:50 – 2:30 PM



Session 3: Risk Management (unintended consequences and a resilient audit function)

2:30 – 2:45 PM



Break (15-minutes)

2:45 – 4:25 PM



Session 4: Technology & Innovation: Driving Internal Audit Forward

4:25 – 4:30 PM



Wrap-up

Session 1

8:20 – 10:00 AM

Navigating Ethical Complexities:

In today's complex world



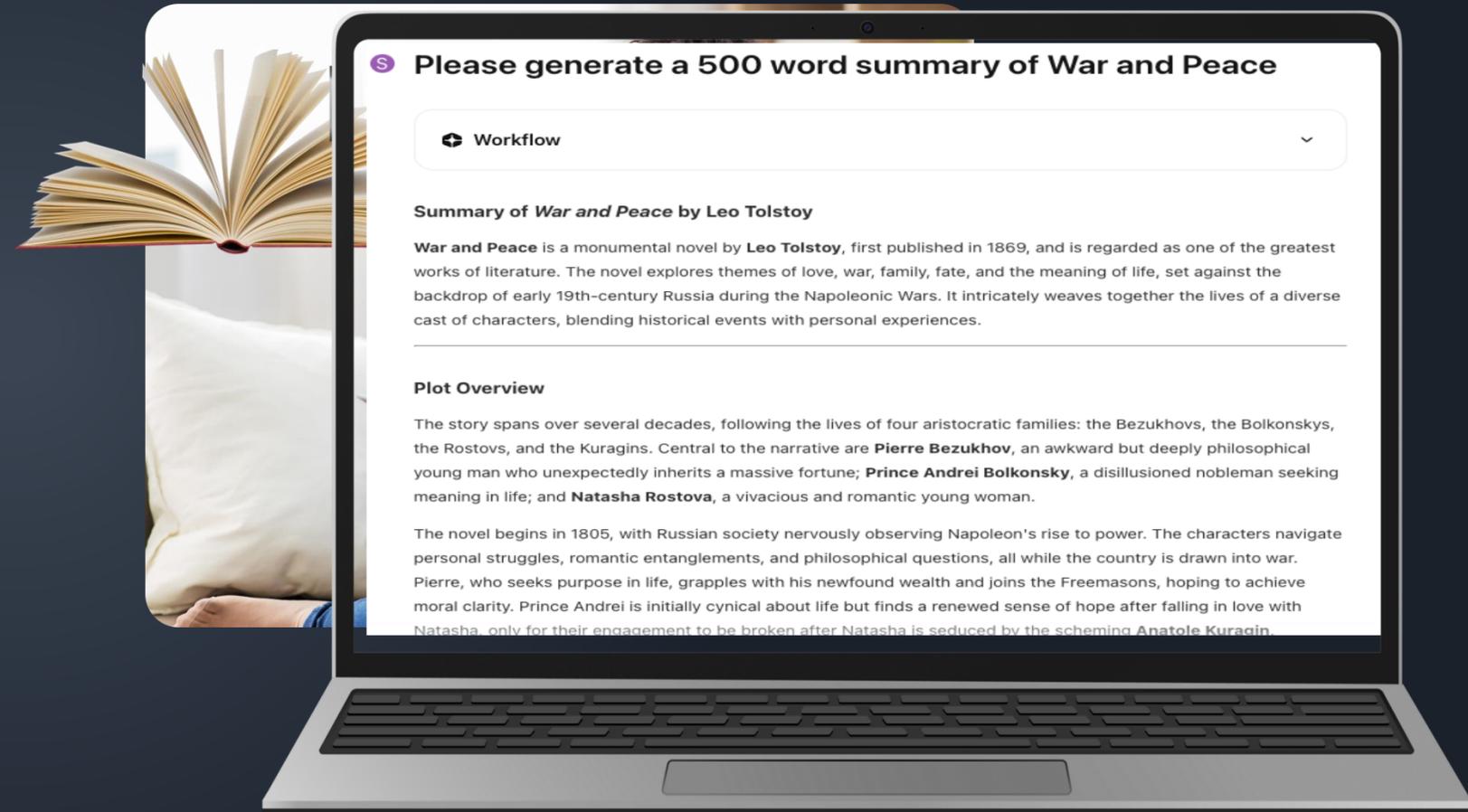
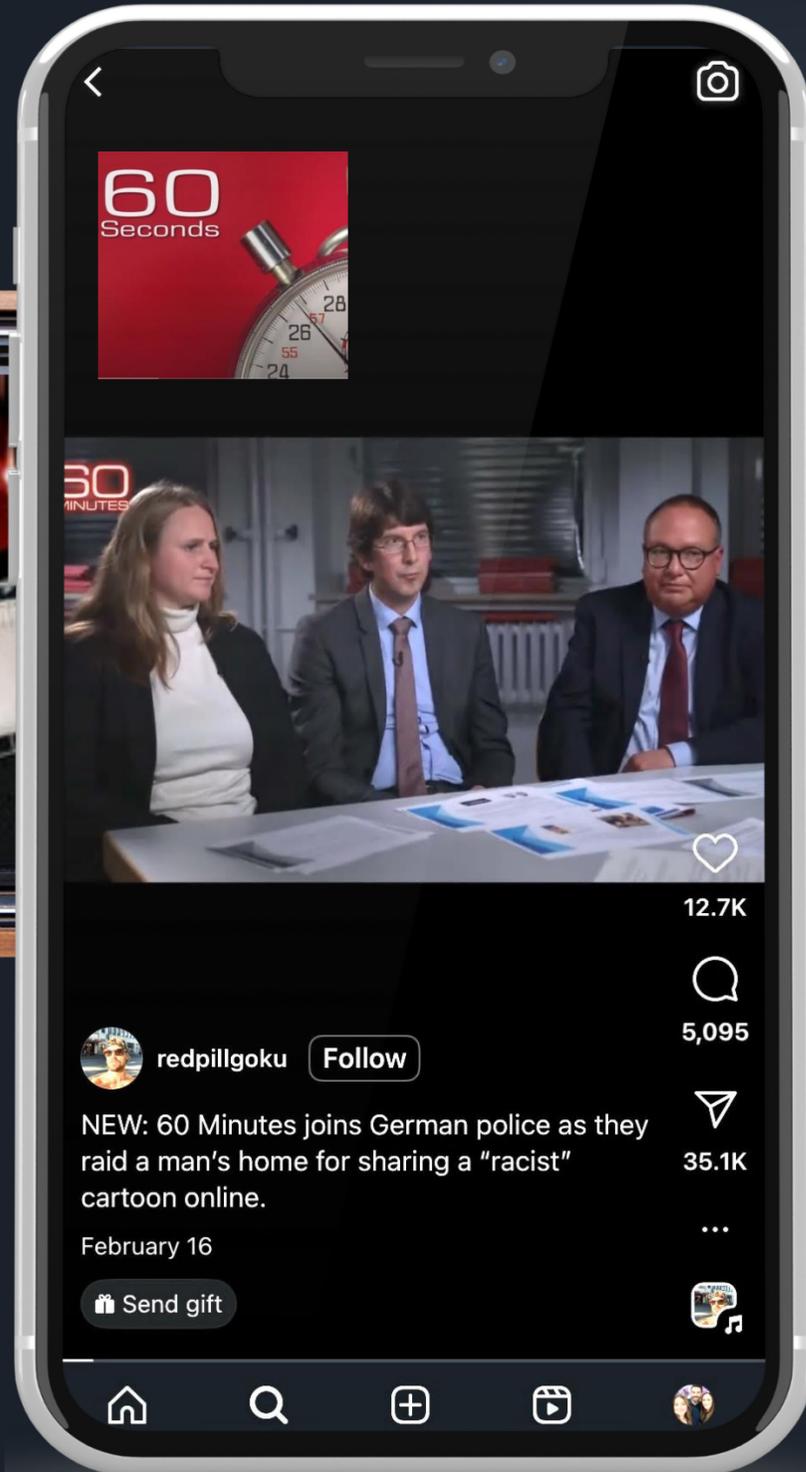
Learning Objectives

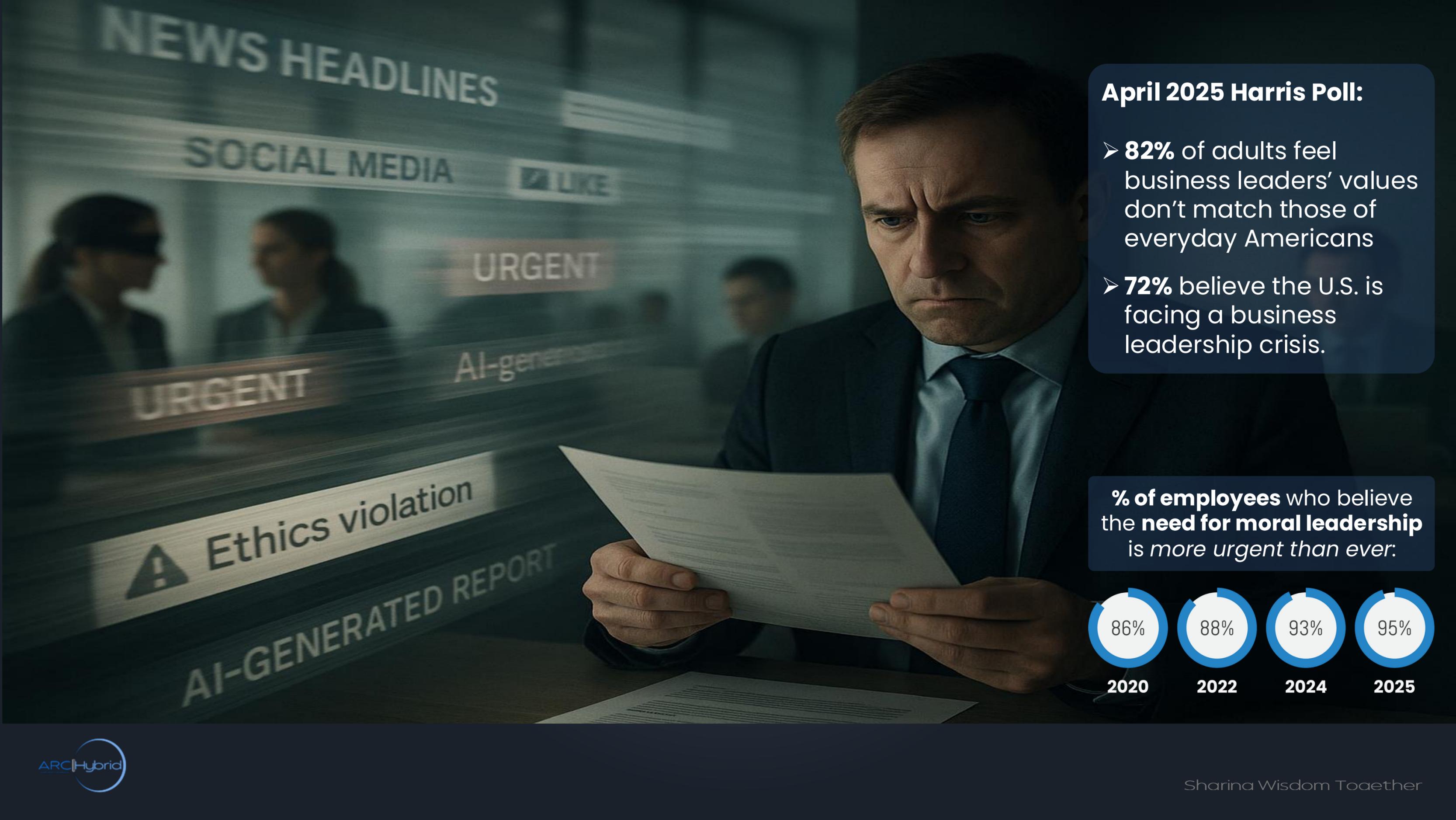
- 1 Equip participants with tools and strategies to identify, assess, and respond to ethical challenges in internal auditing, particularly in the domains of misinformation, AI biases, and geopolitical instability.
- 2 Assist participants in applying ethical decision-making frameworks in real-world audit scenarios while balancing organizational values, risks, and regulatory obligations.
- 3 Empower participants to lead by example, build ethical cultures, and collaborate across departments to proactively address emerging risks.

You'll leave with a decision playbook, escalation map, and 30-60-90 plan.

The New Frontier of Ethics

A Changing Information Landscape

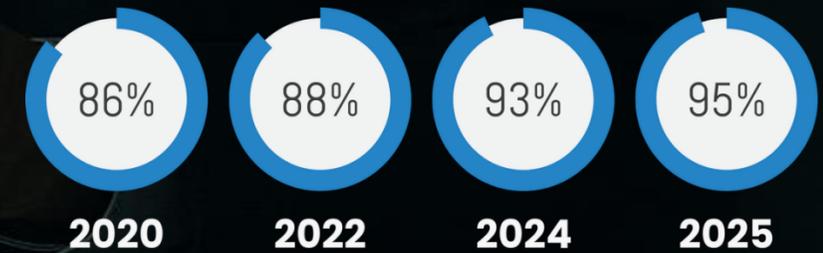




April 2025 Harris Poll:

- **82%** of adults feel business leaders' values don't match those of everyday Americans
- **72%** believe the U.S. is facing a business leadership crisis.

% of employees who believe the **need for moral leadership** is *more urgent than ever*:



Ethical Blind Spots

ETHICAL BLIND SPOTS

- Supply Chain Vulnerabilities
- Cybersecurity Threats
- Regulatory Changes

MISINFORMATION

- AI-driven Deepfakes
- Social Media Manipulation
- False Narratives

BIG DATA

GEOPOLITICAL TENSION

- Privacy Concerns
- Informed Consent
- Algorithmic Bias



From your perspective as an internal auditor, which of these emerging issues are most troubling from an ethical standpoint?





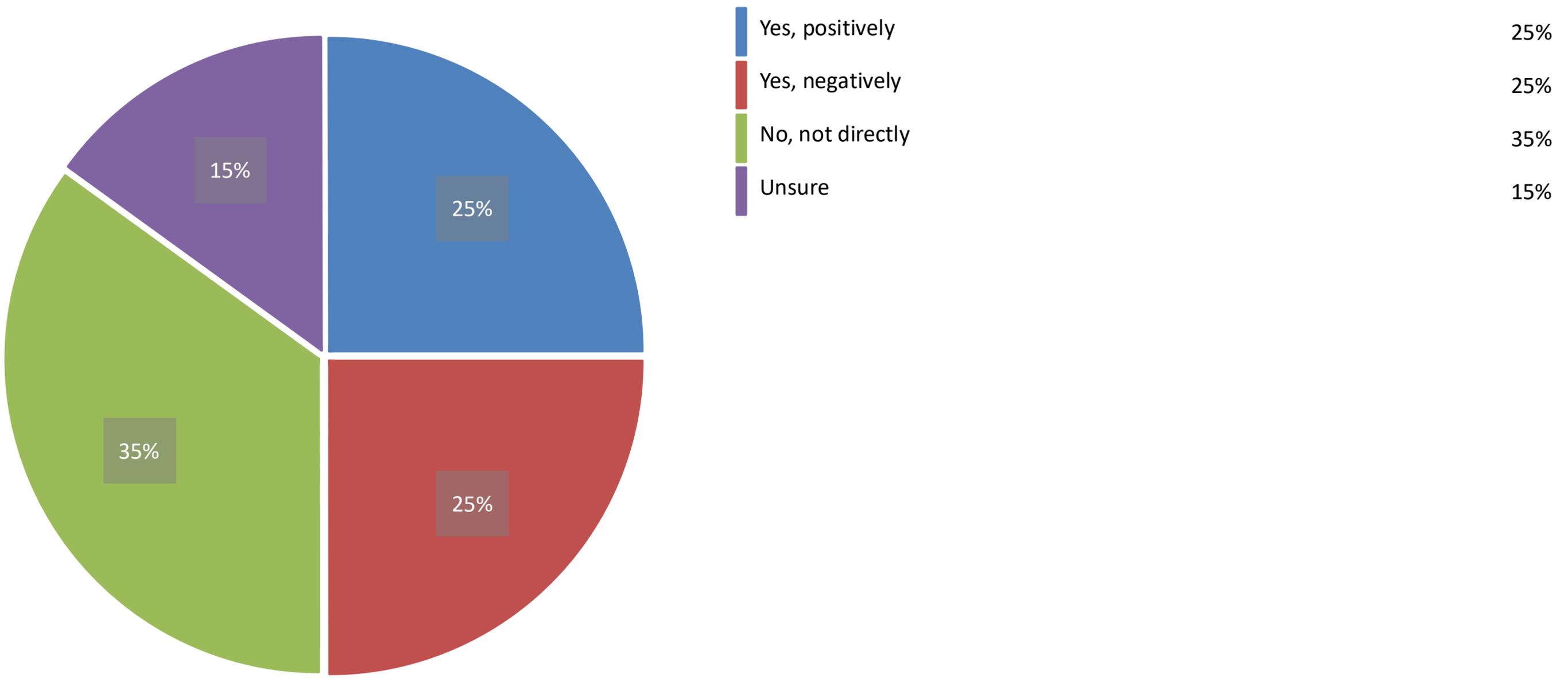
- Turn to your neighbor:**
- **Share one surprise ethical dilemma** you faced last 12 months
 - **What made it hard as a leader** (constraints, politics, timing)?

The Mirroring Effect





Have you seen leadership style shifts in your organization that impacted ethical behavior?

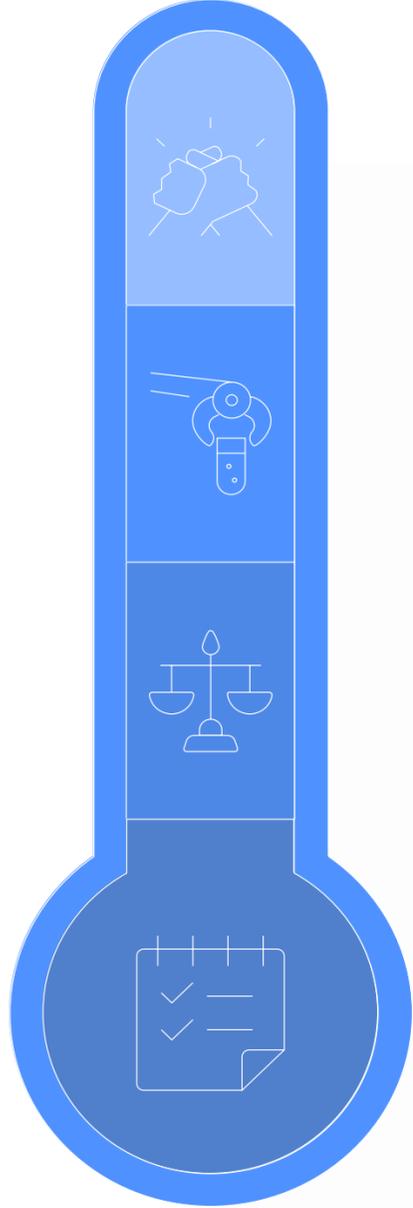


Domain II: Ethics and Professionalism



Ethics, Reputation, and the Expanding Risk Landscape

Trustworthiness



Cultural Trustworthiness

Responsible Technology Use

Fairness & Transparency

Regulatory Adherence



Compliance

IIA's Political Advocacy Committee (IIA PAC)



August 15, 2025

The Honorable Pete Sessions
United States House of Representatives
2204 Rayburn House Office Building
Washington, DC 20515

The Honorable Kweisi Mfume
United States House of Representatives
2263 Rayburn House Office Building
Washington, DC 20515

RE: IIA Support for the U.S. Government Accountability Office

Dear Chairman Sessions and Ranking Member Mfume:

On behalf of The Institute of Internal Auditors (The IIA), the international professional organization representing more than 265,000 internal auditors, I write to express **strong support for the U.S. Government Accountability Office (GAO)** in response to recent criticisms directed at the agency.

For more than a century, GAO has served as a pillar of good governance responsible for providing Congress with "timely information that is objective, fact-based, nonpartisan, nonideological, and balanced."¹ Through comprehensive audits and evaluations, the dedicated professionals at GAO promote a more efficient federal government by identifying waste, enhancing performance, and safeguarding taxpayer dollars.

Given GAO's essential role in equipping Congress with objective analysis to ensure government accountability, The IIA is increasingly concerned by recent attempts to politicize the agency through unfounded accusations.² While it is certainly appropriate for public officials to question or disagree with GAO, such comments misleadingly suggest that the agency has abdicated its core mission to pursue a political agenda. Unfortunately, specious allegations against public sector auditors are proliferating across North America. Officials frequently dismiss audit findings as "political" rather than engage constructively or implement difficult recommendations.

This changing environment risks undermining the ability of public sector auditors, such as GAO, to safeguard public resources. For example, on June 26, 2025, the U.S. House Committee on Appropriations approved its version of the [FY26 Legislative Branch Appropriations Act](#)³ that, if enacted, would cut GAO's budget by approximately 50%.⁴ Such a substantial reduction in appropriations will

¹ U.S. Government Accountability Office. *Our Mission*. <https://www.gao.gov/about>

² "GOP Declares War on GAO." Jennifer Scholtes, Jordain Carney, and Katherine Tully-McManus, Politico, May 27, 2025: <https://www.politico.com/news/2025/05/27/gop-declares-war-on-gao-00369762>

³ U.S. House Committee on Appropriations. (June 26, 2025). *Committee Approves FY26 Legislative Branch Appropriations Act* [Press Release]. <https://appropriations.house.gov/news/press-releases/committee-approves-fy26-legislative-branch-appropriations-act>

⁴ "GAO faces nearly 50% budget cut, less oversight of withheld funds in budget plan." Jory Heckman, *Federal News Network*, June 23, 2025: <https://federalnewsnetwork.com/agency-oversight/2025/06/gao-faces-nearly-50-budget-cut-less-oversight-of-withheld-funds-in-budget-plan/>

Voice of the CEO: The New Administration's Impact on Risk and Compliance

BLOGS | ANTHONY PUGLIESE, CIA, CPA, CGMA, CITP | FEB 27, 2025



With the ushering in of a new administration in Washington, I've received many questions about how the next four years will affect the risk landscape and the U.S. internal audit and compliance profession.

From artificial intelligence (AI) and tariff policies to wider-scale deregulation, there is much to consider. The IIA's advocacy team continues to maintain a

close and open dialogue with Washington, I've received many questions about how the next four years will affect the risk landscape and the U.S. internal audit and compliance profession.

Regulating Artificial Intelligence

A key policy area that is on our radar, and one that should be top of mind for organizations in the U.S., is how the new administration's approach to AI and emerging technology will impact the risk landscape and internal audit profession.

On Jan. 23, President Donald Trump issued an executive order on AI entitled, "Removing Barriers to American Leadership in Artificial Intelligence." This executive order directs the assistant to the president for science and technology to develop an "Artificial Intelligence Action Plan" within 180 days. The goal of this plan is to create a policy that enables the U.S. to maintain global AI dominance.

The president's AI policy objectives were described in greater detail by Vice President JD Vance at the recent AI Action Summit in Paris. The vice president said, in relevant part, "We believe that excessive regulation of the AI sector could kill a transformative industry just as it's taking off, and we'll make every effort to encourage pro-growth AI policies."

These actions suggest that the new administration intends to take a different approach to governing the use of AI in the U.S. As the AI policy landscape matures, compliance and internal audit practitioners must prioritize establishing internal processes and controls to closely monitor regulatory changes. Keeping a close pulse on how policy develops is key to ensuring that the organizations we serve remain compliant in their own AI use. In addition, it strengthens practitioners' ability to accurately and proactively assess potential AI-related risks.

We continue to monitor the president's executive orders and other policy-related developments to ascertain any potential impact on the internal audit profession.

Tariff Policy and Supply Chain Disruption

Tariff policy is another topic that continues to garner significant attention. While there is still a high level of uncertainty as to how changes in policy will play out, the potential impact it will have on business operations should be top of mind, particularly for organizations that rely heavily on international supply chains.

Tariff policy changes can introduce several risks to an organization, including the potential for increased production costs, the need to diversify suppliers or consider reshoring supply where possible, and changes in consumer demand that may impact an organization's revenue.

Internal audit practitioners must ensure there are processes in place to monitor and assess the potential impact that tariff policy will have on the organization's supply chain relations and business operations. Beyond evaluating potential contingency plans and alternative sourcing strategies, practitioners must also prioritize supplier due diligence within third-party risk management systems in the event that the organization must adapt to new or alternative suppliers to keep pace with policy changes.

Frameworks and Real-World Application

Ethical Frameworks



The Head OR The Heart

Utilitarianism

Greatest good for the greatest number



Deontology

Duty and rules above all

"What's my professional obligation?"



"Which rule or duty applies here?"



The Person OR The People

Virtue Ethics

Focus on personal character and integrity



Stakeholder Theory

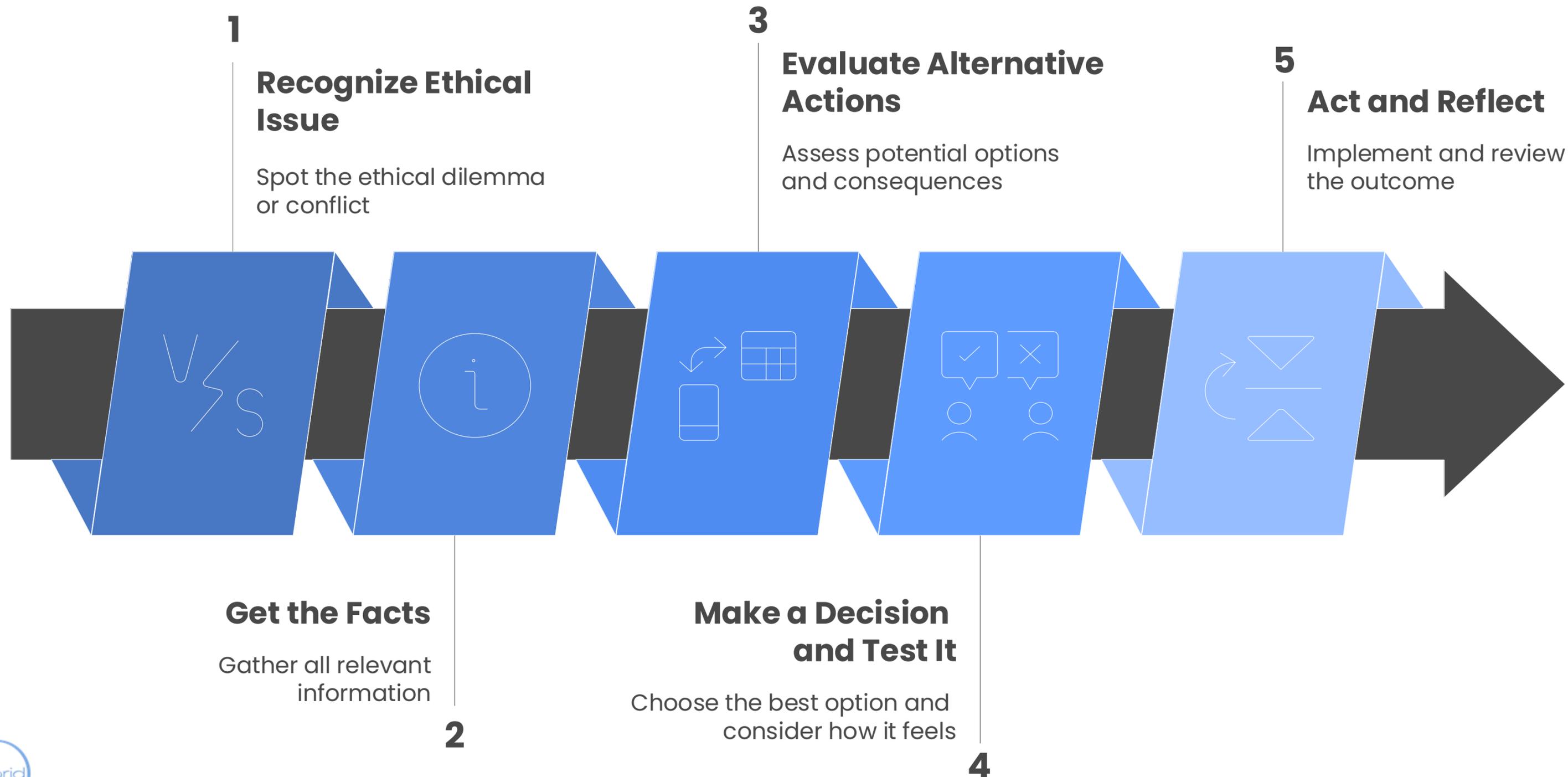
impact on all stakeholders, not just shareholders.

“What would a virtuous auditor do?”

“Who is affected and how?”



Ethical Decision-Making Playbook



Ethical Decision-Making Playbook

Step 1: Recognize the ethical issue

Describe the dilemma or conflict?

What makes this situation ethically complex?

IIA Domain II Principles implicated (check all)?

- Principle 1: Demonstrate Integrity
- Principle 2: Maintain Objectivity
- Principle 3: Demonstrate Competency
- Principle 4: Exercise Due Care
- Principle 5: Maintain Confidentiality

Step 2: Get the facts

List the known facts:

What is unknown or assumed and how to obtain them?

Who are the impacted stakeholders (internal and external)?



Stakeholder Impact Map and Escalation RACI

Escalation RACI
Use this tool to rapidly assess stakeholder impact and determine appropriate escalation pathways for ethics violations. Designed for Internal Audit leaders to ensure timely and defensible decisions.

- How to assess severity
- Set response timeline
- Populate RACI roles
- Capture evidence
- Use automated formulas
- Interpret the escalation note

Trigger	Severity	Time (hrs)	Response Category	Responsible	Accountable	Consulted	Informed	Evidence to Preserve	Channel	Escalation Note
Suspicious data falsification	High	4	Immediate (0-4h)	SA Manager	CIC	Legal + HR	IC Chair	System logs, emails	Secure case system	High severity - Immediate (0-4h). Confirm with Legal and the CAE before closure.
Deepfake incident	Medium	24	Urgent (<24h)	CISO	COO	IR, CAE	IC	Source media, alters	In Playbook	Medium severity - Urgent (<24h). Confirm with Legal and the CAE before closure.
Unauthorized access to HR system	Low	48	Routine (48-72h)	InfoSec	CISO	HR	CEO	System logs, emails	Meeting	Low severity - Routine (48-72h). Confirm with Legal and the CAE before closure.

Instructions & Scenario Walkthrough

This tool is to assist Internal Audit professionals through using both the Stakeholder Impact Map and Escalation RACI sheets during an ethics-related incident.

Scenario:

An anonymous whistleblower reports that a regional sales manager manipulated sales reporting to inflate quarterly performance results. The allegation suggests potential data falsification, possible misconduct, and risk of misleading financial reporting.

Step-by-Step Instructions:

Ethics Drives Intangibles and Performance

Nearly 80% of a company's value now lies in intangible assets



Brand Reputation



Customer Loyalty



Employee Trust



Intellectual Capital



Learning from Excellence: World's Most Ethical Companies 2025

ETHISSPHERE®

Common Practices Among Ethical Organizations:



Ethical Culture Measurement

Programs to assess and
strengthen ethical values



Ethics in Business Strategy

Integrating ethical considerations
into strategic planning



Speak-Up Cultures

Encouraging accountability and
open communication



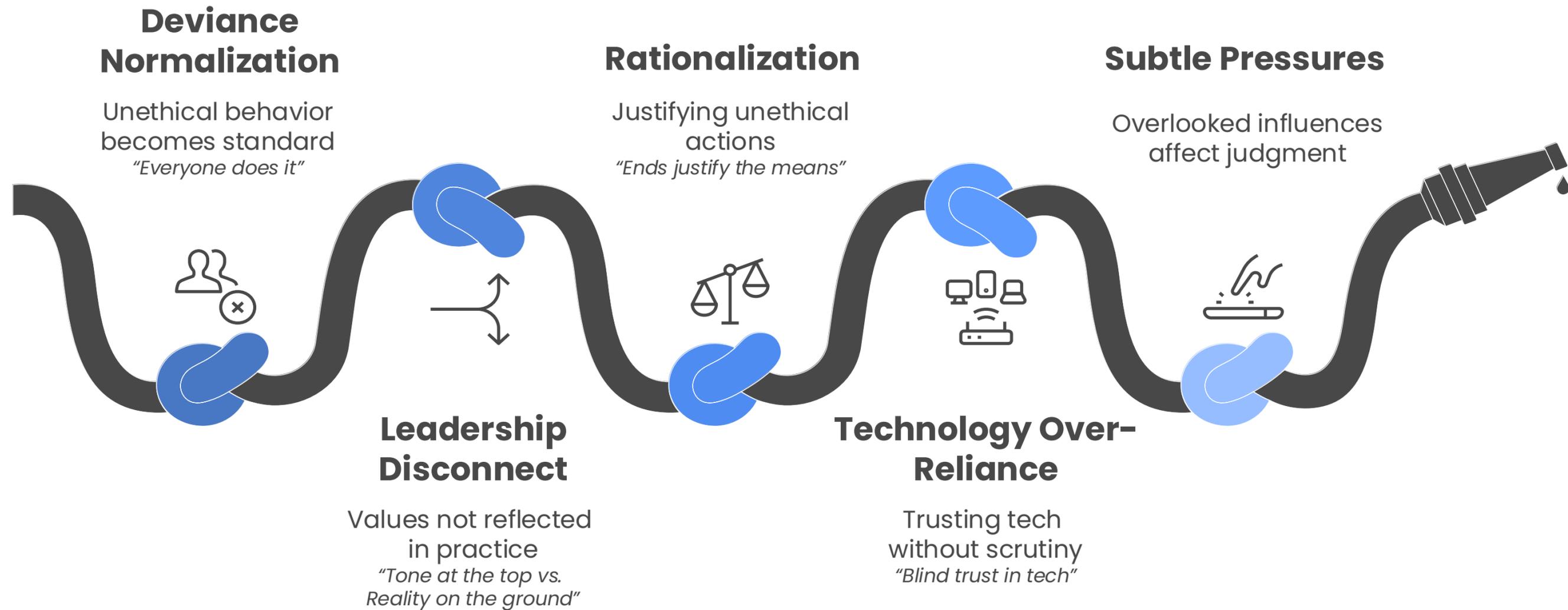
The Business Case:
Ethical companies
outperform financially





Ethical Pitfalls

Common Pitfalls in Auditing Ethics



Ethical Pitfalls and Early Indicators Checklist

Normalization of Deviance

Early indicators: Exceptions rising; "workarounds" language; policy becomes optional.

Diagnostics: Where are exceptions concentrated? Who approves them? Are thresholds creeping?

Guardrails: Document exceptions + approval; monthly exception analytics; independent review cadence.

Rationalization ("Ends justify means")

Early indicators: "For the business"; "just this once"; war stories of corner-cutting.

Diagnostics: Link to KPIs/comp; assess target pressure; identify who benefits/loses.

Guardrails: Reframe risk/cost; AC oversight for threshold breaches; decision logs.

Blind Trust in Technology

Early indicators: "The model says so"; no validation evidence; unexplained overrides.

Diagnostics: Ask purpose/scope/data/limitations; request validation reports; assess change approval.

Guardrails: Validation cadence; repeat prompts/tests; bias checks; drift alerts; human-in-the-loop.



What do you think?



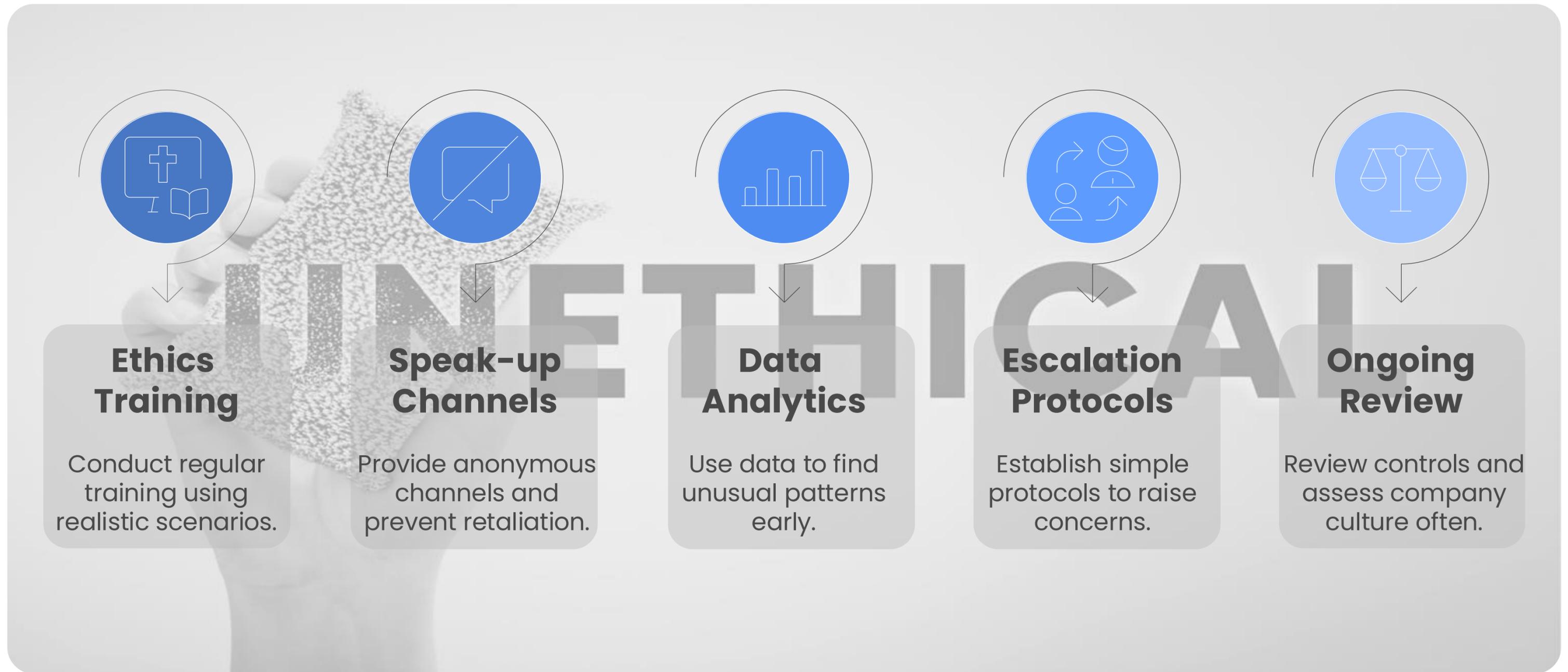
SHARE YOUR
STORY!



Describe a time when you observed an ethical pitfall become part of an organization's culture. What could have been done differently?



Building Guardrails Against Pitfalls



Speak-Up and Anti-Retaliation Mini-Assessment

Practice Element	Category	Evidence Present?		Gap	30-Day Fix	Metric	Maturity			Risk Score	Priority Level	Complexity	Risk Rating	Target		RAO Start	Status	
		(Y/N)	Owner				Score (0-5)	Impact (1-5)	Likelihood (1-5)					Assign	Comp			
Hotline SLA tested	Reporting Channels & Accessibility	No	HR	SLA not tested in past 12 months	Conduct test + document times	Time-to-first-contact <2 days	2	4	4	16	High Priority	2	High	02/01/25	03/01/25	0%	Red	Not Started
Escalation protocol published	Intake, Triage & Case Management	Unsure	CAE	Draft exists; not approved	Finalize + communicate	100% escalations follow protocol	2	3	3	9	Medium Priority	3	Medium	01/15/25	03/15/25	40%	Yellow	In Progress
Escalation analytics coverage	Risk Assessments & Monitoring	Yes	Internal Audit	Only AP/T&E included	Expand to P-Card + O2C	>80% process coverage	3	4	4	16	High Priority	3	Low	01/20/25	04/01/25	60%	Yellow	In Progress
Scenario-based ethics training	Awareness, Training & Communication	No	Learning & Development	No cases built	Create 1 case per function	90% completion rate	1	3	3	9	Medium Priority	4	High	02/10/25	05/01/25	0%	Red	Not Started
Speak-up policy updated	Policies, Procedures & Documentation	Yes	Legal	Not reviewed in 18 months	Refresh & circulate	Annual review completed	4	2	2	4	Low Priority	2	Low	11/20/24	01/15/25	100%	Green	Complete
Retaliation monitoring process	Anti-Retaliation Controls & Protections	Unsure	HR	No formal tracking	Add tracking field in system	Zero substantiated retaliation	2	5	5	25	High Priority	3	Medium	12/01/24	04/15/25	20%	Red	In Progress
Culture survey includes speak-up	Culture, Leadership & Psychological Safety	Yes	Compliance	Questions outdated	Add 3 new speak-up items	>70% positive response	3	3	3	9	Medium Priority	2	Low	01/10/25	03/30/25	50%	Yellow	In Progress
Manager guidance on retaliation	Anti-Retaliation Controls & Protections	No	HR	No one-pager exists	Publish guidance doc	100% managers trained	1	5	5	25	High Priority	2	High	02/05/25	04/05/25	0%	Red	Not Started
Quarterly AC reporting	Governance, Oversight & Reporting	Yes	CAE	Trends not included	Add trending analysis	Quarterly reporting delivered	4	2	2	4	Low Priority	3	Low	10/01/24	12/31/24	100%	Green	Complete
Multilingual hotline access	Reporting Channels & Accessibility	Unsure	Compliance	Only English available	Add French and German for Regional Offices	Hotline available in multiple languages	2	4	4	16	High Priority	3	Medium	01/15/25	04/15/25	50%	Yellow	In Progress

Instructions & Scenario Walkthrough

The following is a guide for completing, maintaining, and interpreting the Speak-Up and Anti-Retalization Program for your

Step-by-Step Instructions:

1 How to use this file:

- Review each Practice Element and confirm the Category and Owner.
- Select Evidence Present (Yes/No/Unsure) and describe any Gaps and 30-Day Fixes.
- Enter Impact, Likelihood, and Complexity to calculate Risk Score and Priority Level.
- Update Status, % Complete, and key dates as work progresses.

2 Key Fields:

- **Category:** Program area (e.g., Reporting Channels, Training, Case Management, Anti-Retaliation, Governance).
- **Maturity Score (0-5):** Level of design and operating effectiveness.
- **Risk Score:** Auto-calculated (Impact × Likelihood).
- **Priority Level:** Auto-assigned (High/Medium/Low).
- **Status:** Not Started, In Progress, On Hold, Complete, N/A.
- **RAG Status:** Auto-generated based on % Complete.

First 72 Hours Response Canvas

Trigger/Event:

Describe the event and what triggered it.

Immediate Containment

Describe the immediate containment: Stop harm now

Evidence to Preserve

Document the evidence that needs to be preserved: Systems, logs, media, comms

Stakeholders & Approval (RACI):

Document your stakeholders and those who need to provide approval:



H A N D O U T



Challenges to Building Your Ethical Resilience

Ethics & Technology (the double-edge sword)

Threat to Truth

RISK: ⚠️ **AI-Generated Deepfakes & Misinformation**

- IMPACT:**
- Undermining truth and evidence reliability
 - Creating false narratives that appear authentic

"Black Box" Problem

RISK: ⚠️ **Algorithm Bias**

- IMPACT:**
- Perpetuating discrimination in automated decisions
 - Obscuring accountability through "black box" systems

Threat to Privacy

RISK: ⚠️ **Surveillance Capabilities**

- IMPACT:**
- Eroding privacy boundaries
 - Creating power imbalances in information access

ETHICAL LITERACY!



Building Ethical Literacy

Recognizing Ethical Dilemmas

- Identifying ethical components vs. technical issues
- Probing beneath surface-level concerns

Distinguishing Facts from Opinions

- Verification techniques for digital information
- Recognizing emotional manipulation in communications

Building Ethical Vocabulary

- Frameworks for articulating concerns
- Creating psychological safety for ethical conversations

Verification test:
Corroborate 2+ sources before relying on digital artifacts.



This Isn't Theory. It's in the News Today.

Austin American-Statesman

Austin banned facial recognition technology for good reason. Why did APD use it? | Grumet

By [Bridget Grumet](#), *Austin American-Statesman*
Updated May 22, 2024 6:00 a.m.



Recent reporting by The Washington Post found some occasions in which Austin police bypassed the city's ban on the use of facial recognition technology by asking the neighboring Leander Police Department to run scans of suspects.

Jay Janner/American-Statesman

Deloitte AI debacle seen as wake-up call for corporate finance

The Australian government says Deloitte Australia agreed to refund part of a \$290,000 payment for a report that contained AI-generated errors.

Published Oct. 14, 2025



[Alexei Alexis](#)
Reporter



The Deloitte offices stand in 2 New Square on October 2, 2018 in London, England. *Jack Taylor via Getty Images*

Workday must face novel bias lawsuit over AI screening software

By [Daniel Wiessner](#)

July 16, 2024 4:29 AM PDT · Updated July 16, 2024



Figurines with computers and smartphones are seen in front of the words "Artificial Intelligence AI" in this illustration taken, February 19, 2024. REUTERS/Dado Ruvic/Illustration/File Photo [Purchase Licensing Rights](#)

How could an auditor at one of these organizations respond to these events?



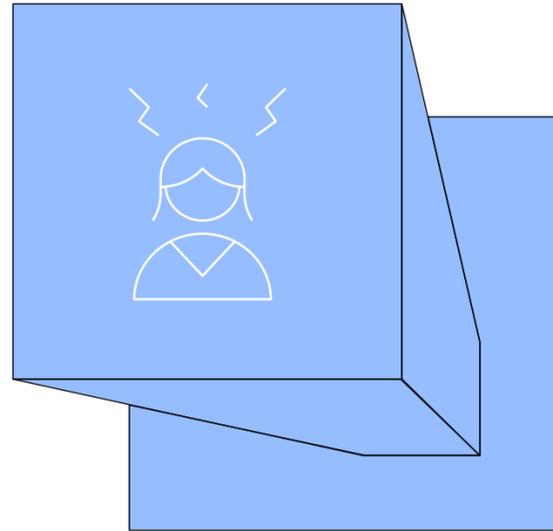
Build Your Ethical Muscles



Ethical Resilience in Practice

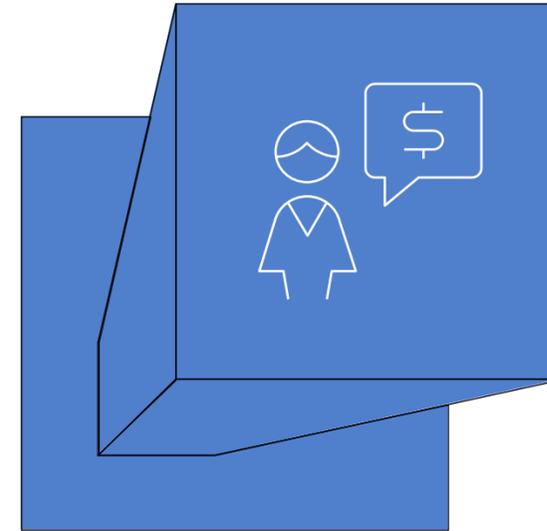
Standing Firm When Facing Pressure

- Recognizing subtle forms of influence
- Preparing mental scripts for common scenarios



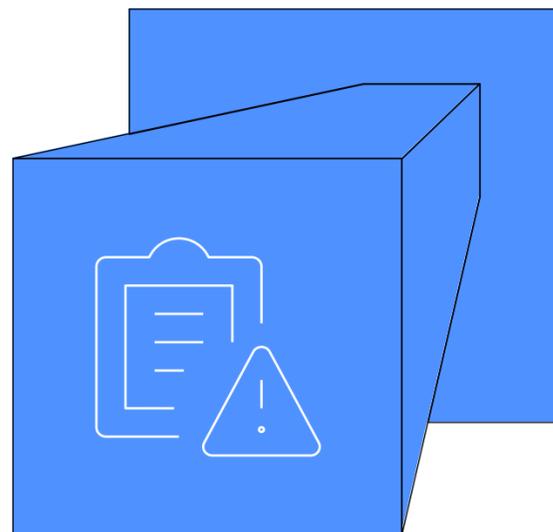
Techniques For Ethical Persuasion

- Framing ethics in business value terms
- Using data to support ethical positions



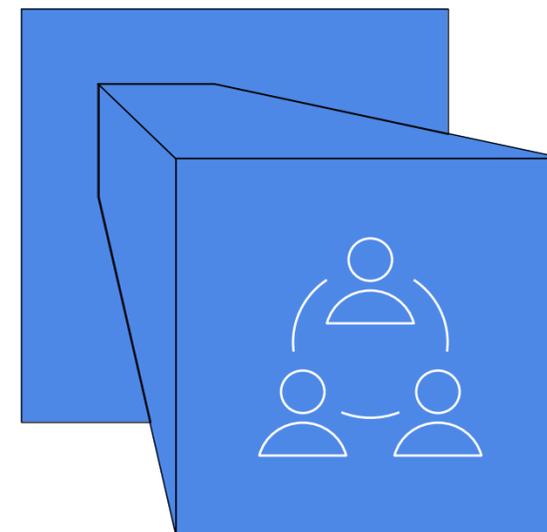
Documenting Ethical Concerns

- Creating audit trails of decisions and concerns
- Proper escalation protocols



Building Support Networks

- Finding allies across departments
- Creating "ethics buddies" for consultation



Resilience Tool Don't Go It Alone

Create your own personal 'ethics council.' Having allies to consult before a crisis hits is a game-changer.

Employee Misconduct Investigations

Bring in HR and Legal when dealing with potential fraud or harassment to ensure fairness and legal compliance.

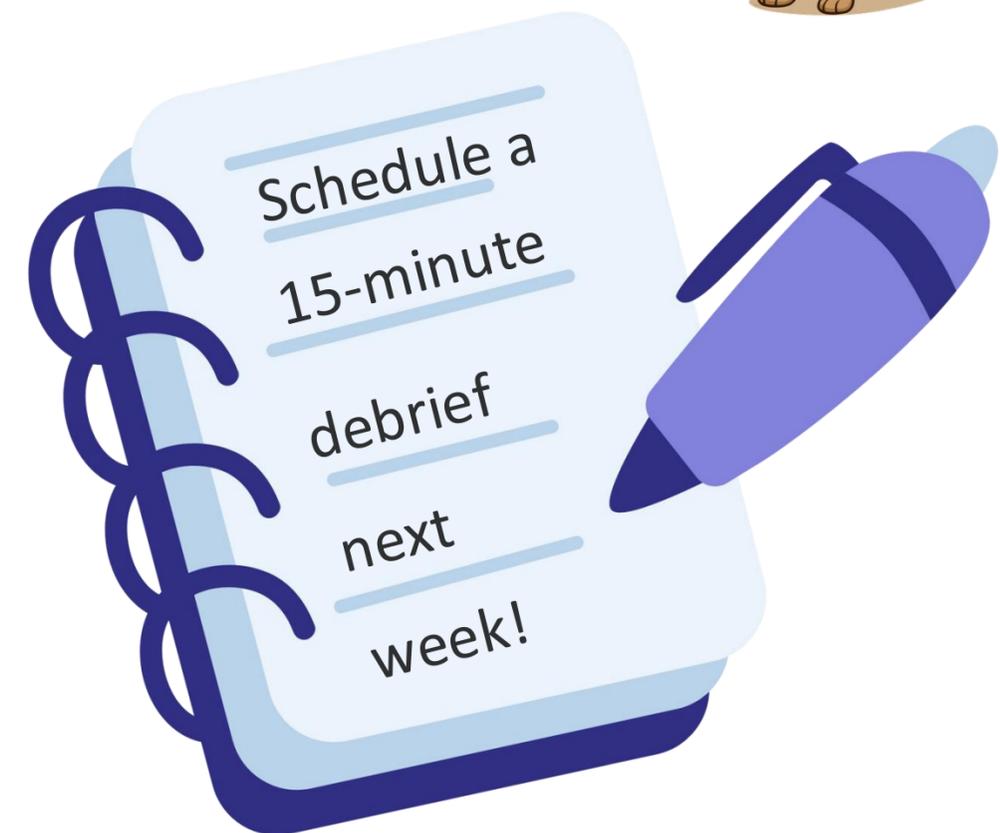
Regulatory Compliance Issues

Consult Compliance and Legal for guidance on complex regulations or suspected breaches.

Conflicts of Interest

Work with your 'ethics council' if sensitive conflicts involve senior management or confidential matters.

Jot down your
Ethics Buddy's





Short, neutral, professional phrases you prepare in advance to use under pressure, giving you time to think without confrontation.

When asked to ignore something small:

"I understand this seems minor, but for me to sign off, I need to document it. Can you help me understand the context so I can do that properly?"

When pressured on a deadline:

"I want to meet the deadline too, but my professional standards require me to complete these steps. Can we agree on a slightly adjusted timeline that allows for a thorough review?"

**Memorize
Mental
Scripts**



Mental Script Cards

Situation	Mental Script (short, neutral phrase)
When asked to ignore something small	"I understand this seems minor, but for me to sign off, I need to document it. Can you help me understand the context so I can do that properly?"
Pressured on a deadline	"I want to meet the deadline too, but my professional standards require me to complete these steps. Can we agree on a slightly adjusted timeline that allows for a thorough review?"
When someone tries to downplay an issue	"I see this might not seem significant, but my role is to ensure we address all concerns consistently. Let's take a moment to assess the potential impact together."
Pressured to change wording to be less direct	"I want to ensure the language accurately reflects our findings while remaining fair and objective. If you have specific feedback, I'm open to it, but I do need to preserve the integrity of the report."
When told to "just trust" someone's assurance without evidence	"I appreciate your assurance, and I trust your expertise. For my records and to meet our requirements, I do need to verify and document this information as part of our process."
When told 'everyone does it this way'	"I understand this may be a common approach, but I need to ensure our process aligns with our professional guidelines and company policies. Let me double-check what's expected in this situation."
When facing resistance to documentation	"Documentation is a key part of our process and helps provide clarity for everyone. If you have concerns, I'm happy to discuss them or explain why this is important."

Situation	Mental Script (short, neutral phrase)
When confidentiality is questioned	"I understand your concerns, and I want to assure you that all information provided during the audit is treated with strict confidentiality as required by our code of ethics."
When someone threatens to report you for your actions	I respect your right to raise concerns. I am confident that I have acted according to our policies and professional guidelines, and I welcome any review from the appropriate authorities.
When offered a gift or favor in appreciation	"Thank you for your gesture, but I must respectfully decline. As an auditor, it's important for me to remain impartial and avoid any appearance of a conflict of interest."





Interactive Rapid-Fire Role-Play

Realistic Ethical Scenarios

Participants engage in simulated situations designed to mimic real-life ethical dilemmas for deeper learning.

Building Confidence Under Pressure

Quick decision-making in these activities helps individuals respond confidently and ethically when challenged.

Improving Communication Strategies

Role-play helps participants practice and refine effective communication for resolving complex situations ethically.



Group Activity

Interactive Activity: “Ethics in Action”



Objective:

1. Reveal an ethical dilemma
2. Evaluate options using our ethical frameworks
3. Respond to new information (twists)
4. Converge on a defensible, standards-aligned decision





Let's Discuss



Turn to your neighbor:

- 1 What is the ethical dilemma?
- 2 Which IIA principles are at risk?



Our Ethical Frameworks

Utilitarianism

Greatest good for the greatest number

"What's my professional obligation?"



Deontology

Duty and rules above all

"Which rule or duty applies here?"

Virtue Ethics

Focus on personal character and integrity

"What would a virtuous auditor do?"



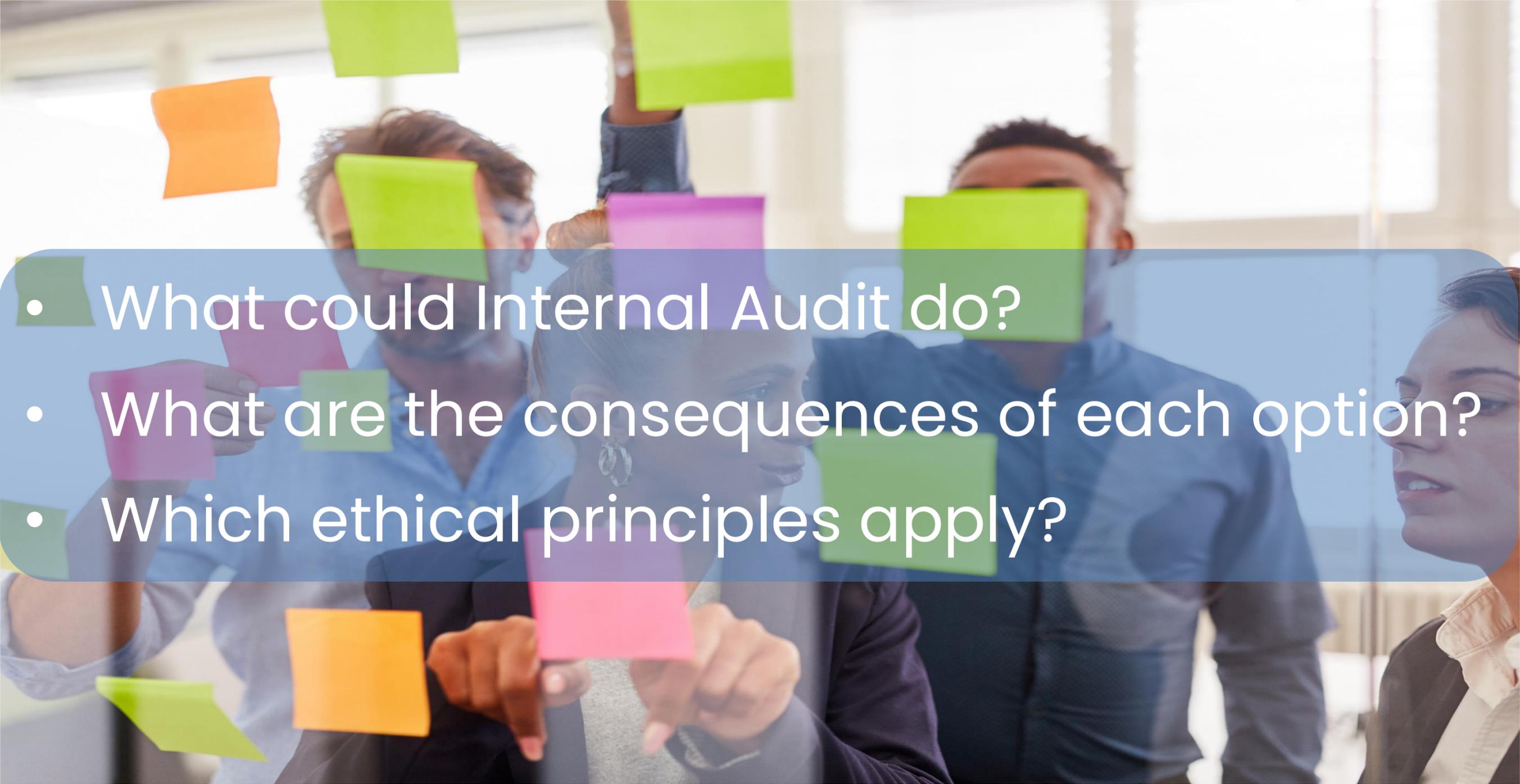
Stakeholder Theory

impact on all stakeholders, not just shareholders.

"Who is affected and how?"



What Are Our Options?

- 
- What could Internal Audit do?
 - What are the consequences of each option?
 - Which ethical principles apply?

Unexpected Twists



Twist 1:

CEO privately tells CAE: "Handle this quietly. We can't have disruption before the investor meeting."

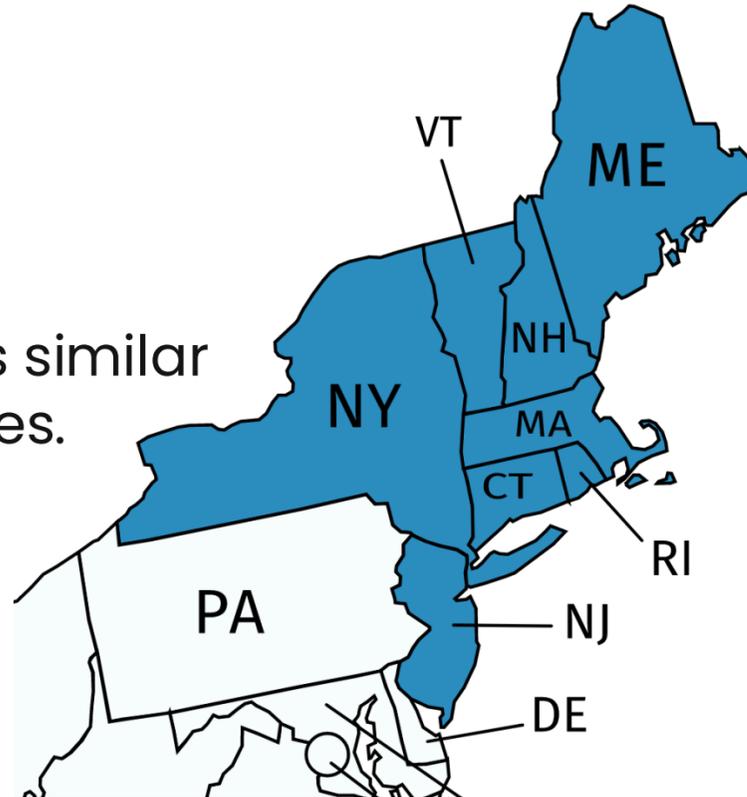


Twist 2:

Your largest customer is deeply tied to the Senior Director. Leadership fears fallout.

Twist 3:

Another region shows similar out-of-policy expenses.



Twist 4:

The hotline receives an anonymous report alleging favoritism and financial misconduct in Sales.



Interactive Activity: “Ethics in Action”



Given all four twists, consider:

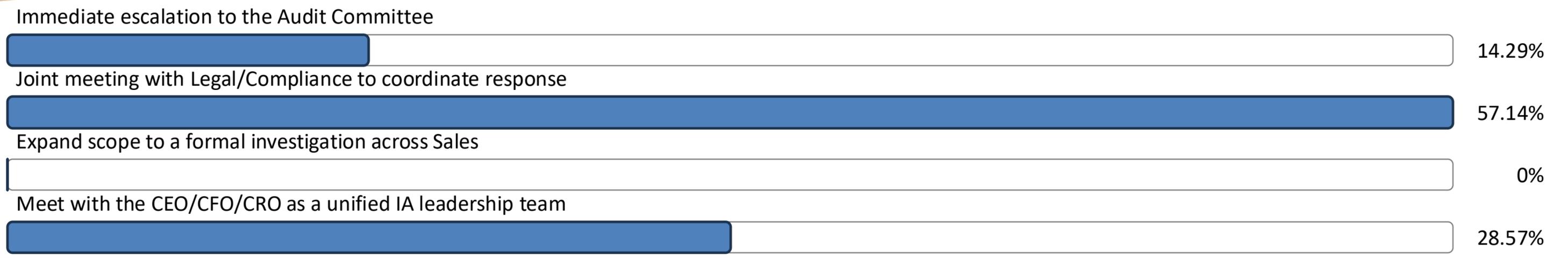
- IIA Standards (Independence, Objectivity, Due Care)
- Ethical frameworks (Utilitarian | Deontology | Virtue Ethics | Stakeholder Theory)
- Cultural risk
- Reputational risk
- Oversight expectations

Poll Question:

What is the most appropriate next step for Internal Audit now?



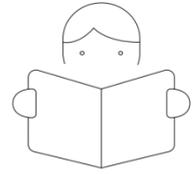
What is the most appropriate next step for Internal Audit now?



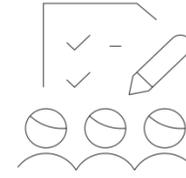
Call to Action: Three Focus Areas

Call to Action

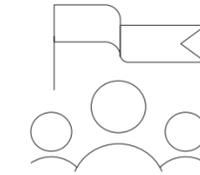
Action 1: Educate & Prepare



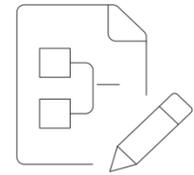
Stay Informed on
emerging ethical
challenges



Train team on
ethical decision-
making

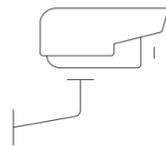


Practice
ethical
scenarios

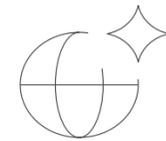


Develop
mental
scripts

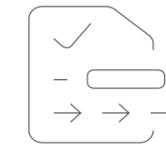
Action 2: Monitor & Audit



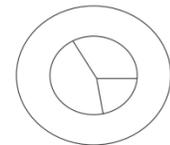
Monitor for
emerging
issues



Use AI and
data
analytics

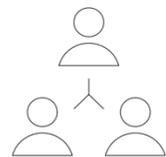


Expand audits
to include
ethical culture



Integrate
ethical
metrics

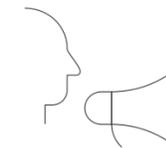
Action 3: Lead & Influence



Lead
by
example



Recognize
ethical
courage



Create
psychological
safety



Build
ethical
alliances



QUESTIONS

15:00

Audit in
Motion

15

min.

Take a

BREAK

SCOTT MADENBURG

AUDIT, RISK, COMPLIANCE
ADVISOR | TRAINER | SPEAKER



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CIA, CISA, and CRMA

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Market Advisor

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- *Group training for internal audit and risk management*
- *Training for Boards and Committees*
- *Team-building workshops*
- *Career coaching sessions*
- *Inspiring keynote presentations*



smadenburg@thearchybrid.com

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Sharina Wisdom Toaether