

IIA Audit Tool

Ethics Maturity Model

Supports Implementation of the Global Internal Audit Standards



Tool Description

This tool is designed to help organizations assess and communicate the maturity of various elements of their ethical climate. The guidance in this tool is optional and is not intended to cover all possible aspects of ethical culture assessment. It is intended to be customized to suit the unique needs and methodologies of each organization and its evaluation approach.

Companion Document

This recommended tool should be used with the Global Practice Guide “[Evaluating the Effectiveness of Ethics Programs](#),” which covers the topic in detail. The guide and tool support the implementation of the Global Internal Audit Standards.



Ethics Maturity Model Example Template

The Ethics Maturity Model helps organizations evaluate the maturity of their ethical climate across key elements, such as leadership behavior, policies, employee awareness, and accountability mechanisms. Maturity is assessed using defined levels; each representing the organization’s progression in fostering an ethical culture.

Maturity Level	Definition	Examples
Level 1 - Not Effective	Ethics processes are ad hoc, inconsistently applied, or nonexistent. Expectations are unclear, responsibilities are undefined, and there is minimal documentation or follow-through. Ethical risks are largely unmanaged, and issues are addressed reactively.	<p>Employees are uncertain about where to report concerns or how issues are handled.</p> <p>No tracking of ethics-related issues, training, or behavior trends.</p> <p>Ethical lapses occur without documentation or corrective action.</p>
Level 2 - Defined	Basic ethics policies, processes, and communication exist and are documented. Responsibilities are defined but may not be consistently followed. Awareness is uneven, and controls are primarily compliance-oriented. Some risks remain due to inconsistent application.	<p>Ethics issues are logged, but analysis is limited, and follow-up varies by case.</p> <p>Leaders endorse ethical expectations but rarely reinforce them in practice.</p> <p>Policies are documented but not routinely reviewed for relevance or effectiveness.</p>
Level 3 - Integrated	Ethics expectations and processes are embedded in regular operations. Training, reporting, monitoring, and investigations are carried out consistently. Employees understand expectations, leadership reinforces behaviors, and ethics risks are monitored and addressed systematically.	<p>Issues are documented, investigated, and resolved following a standard process.</p> <p>Ethics trends and metrics are reviewed with management.</p> <p>Leaders model expected behaviors and reference ethics in decision-making.</p>
Level 4 - Sustainable	Ethics practices are well-established, data-driven, and continuously reinforced. Oversight is active and challenge-oriented; root causes are analyzed, and actions are taken to reduce future risk. The ethics program consistently operates within risk tolerances.	<p>Ethics dashboards and key performance indicators are monitored across the organization.</p> <p>Ethics considerations are embedded in strategic planning and change initiatives.</p> <p>Leaders consistently communicate expectations and reinforce desired culture.</p>
Level 5 - Optimized	The ethics program is proactive, predictive, and continuously improved. Data insights drive strategy, emerging risks are anticipated, and ethical culture is deeply integrated into organizational identity. Ethics support resilience, innovation, and long-term trust.	<p>Predictive or leading indicators are used to anticipate ethics risks.</p> <p>Ethics programs are continuously refined based on behavioral outcomes.</p> <p>Ethical culture is embedded across systems, performance management, and leadership behaviors.</p>



Examples of Areas in Which Ethics Maturity Models Can Be Used

An ethics maturity model provides a structured way to assess how effectively an organization’s ethics program is designed, implemented, and sustained over time. It allows leaders to evaluate capabilities across multiple domains, such as governance, training, investigations, and monitoring, and determine the current level of maturity. The number of maturity tiers and the criteria for each level should be clearly defined to ensure consistency and comparability.

To enhance usability and consistency, the maturity model can be embedded into internal audit activities by incorporating its criteria into risk assessments, audit procedures, and reporting. This promotes a standardized approach to evaluating ethics practices, supports consistent application across audits, and enables tracking of maturity improvements over time.

Example 1: Governance and Oversight

Maturity Level	Definition	Examples
Level 1 – Not Effective	Control processes are ad hoc or inconsistently applied. Roles and oversight are unclear, so ethics risks are largely unmanaged, and issues are handled reactively. Objectives may be achieved only by chance, not by design.	No designated ethics owner. Issues are addressed only after incidents. Board is not informed of ethics matters.
Level 2 – Defined	Basic ethics roles, policies, and routines exist and are documented, but accountability and governance are still unclear, and compliance is mostly activity-based (for example, counts, reports). Controls reduce some risk, yet residual risk remains that could hinder objectives.	Ethics responsibility is assigned but unclear authority. Periodic reporting, mostly incident counts. Limited challenge by leadership.
Level 3 – Integrated	A formal ethics governance structure is established and operating as intended. Responsibilities, escalation, and reporting are defined and routinely practiced, enabling management to monitor ethics risks and support objective achievement.	Formal ethics governance structure. Regular reporting to senior management. Defined escalation and accountability.
Level 4 – Sustainable	Ethics oversight is embedded in enterprise governance with active challenge from oversight bodies. Controls are consistently executed, measured, and improved, keeping overall ethics risk within the organization’s risk tolerance to support reliable objective delivery.	Active board and executive oversight. Oversight bodies challenge trends. Ethics are considered in major decisions.
Level 5 – Optimized	Ethics governance is data-driven and continuously improved. Insights inform strategy and decision-making, enabling proactive risk anticipation and adaptive controls that optimize performance and reliably achieve objectives.	Ethics oversight informs strategy, including the risk management program and the Three Lines Model. Board uses ethics data to anticipate risk. Continuous governance improvement.



Example 2: Training and Awareness

Maturity Level	Definition	Examples
Level 1 – Not Effective	Training on ethics is minimal, informal, or nonexistent. Expectations are not clearly communicated, and there is no systematic tracking or reinforcement. Employees are largely unaware of their responsibilities, creating the risk that objectives are achieved inconsistently.	Little or no ethics training. No onboarding coverage. No tracking of completion.
Level 2 – Defined	Foundational ethics training exists and is delivered periodically, but the content is generic, compliance-driven, and not tailored to roles or risks. Tracking is basic, and awareness is uneven across the organization, leaving gaps that may impact objectives.	Basic, periodic training. Completion-focused. Limited role relevance.
Level 3 – Integrated	Ethics training is role-based, relevant, and regularly updated. Completion, timeliness, and coverage are monitored, and refresher training is provided. Employees generally understand expectations, supporting consistent achievement of ethics objectives.	Role-based training. Completion and timeliness tracked. Refresher training provided.
Level 4 – Sustainable	Training is tailored to specific risk areas, uses interactive and scenario-based methods, and is reinforced by leadership. Metrics are used to assess engagement and comprehension, helping ensure the training reliably mitigates risk and supports strategic objectives.	Training tailored to risk areas. Scenario-based and interactive training. Reinforced through leadership.
Level 5 – Optimized	Training effectiveness is actively measured using behavioral and outcome-based indicators. Insights guide continuous improvement, and training is strategically aligned to anticipate emerging risks, ensuring employees are fully equipped to uphold ethics objectives.	Training effectiveness measured. Behavioral outcomes assessed. Continuous training improvement.



Example 3: Investigation and Response

Maturity Level	Definition	Examples
Level 1 – Not Effective	Investigation processes are informal, inconsistent, or not clearly defined. Documentation is minimal, case handling varies widely, and outcomes are often unclear. As a result, issues are resolved reactively and may not reliably support the achievement of objectives.	Investigations are inconsistent. Little documentation. Outcomes unclear.
Level 2 – Defined	A basic investigation process exists and is documented, but execution varies by investigator or case type. Timeliness, documentation quality, and follow-through are inconsistent, leaving moderate gaps that may affect objective achievement.	Defined process exists. Execution varies by case. Delays and inconsistency.
Level 3 – Integrated	A standardized investigation process is consistently applied, with clear steps for intake, documentation, review, and resolution. Cases are handled in a timely manner, and outcomes are well-supported, enabling reliable resolution of issues and supporting organizational objectives.	Standardized investigation process. Timely case resolution. Clear documentation.
Level 4 – Sustainable	Investigations are consistently executed with strong quality controls, and outcomes include documented discipline, root cause analysis, and shared lessons learned. Trends are monitored and addressed, keeping investigative risk within organizational tolerance.	Consistent discipline applied. Root cause analysis performed. Lessons learned shared.
Level 5 – Optimized	Investigation insights proactively drive systemic improvements, including policy, control, and process enhancements. Metrics are used to measure effectiveness, and continuous refinement ensures the function anticipates risks and strengthens overall organizational integrity.	Investigations drive systemic fixes. Policy and control improvements. Continuous process refinement.



Example 4: Monitoring and Continuous Improvement

Maturity Level	Definition	Examples
Level 1 – Not Effective	Monitoring activities are informal or nonexistent. Ethics issues are tracked inconsistently; data is not analyzed and follow-up is irregular.	No ethics metrics. Issues tracked informally. No follow-up.
Level 2 – Defined	Basic monitoring metrics and routines exist, but analysis is limited, and data is seldom used to drive decisions. Tracking is inconsistent across functions, leaving gaps in understanding issues that may affect the achievement of ethics objectives.	Basic metrics tracked. Limited analysis. Data is rarely used.
Level 3 – Integrated	Regular monitoring and reporting processes are in place, with trend analysis performed and issues tracked to closure. Data is used to identify emerging themes and inform decision-making, supporting the reliable achievement of ethics objectives.	Regular monitoring and reporting. Trend analysis performed. Issues tracked to closure.
Level 4 – Sustainable	Monitoring activities are systematic, and metrics are linked to culture and risk indicators. Root causes are analyzed, management actions are implemented, and lessons learned inform program improvements. Ethics risk is actively managed within established tolerances.	Metrics linked to culture and risk. Root causes analyzed. Management action plans implemented.
Level 5 – Optimized	Monitoring uses predictive and leading indicators to anticipate risks. Continuous improvement is embedded into program management, and insights drive strategic adjustments. The ethics program adapts to emerging risks and consistently strengthens performance.	Leading indicators used. Continuous improvement is embedded. Program adapts to emerging risks.

Note: When using these scales, the rating criteria should be reviewed to ensure they are suited to each engagement.



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