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deter unethical behavior in their organizations, according to a new paper released by the Internal Audit Foundation and PwC US.

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Audit committees should be aggressively assessing corporate culture to detect and deter unethical behavior in their organizations, according to a new paper released by

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have caused investors billions of dollars and irreversible reputational harm,” said Jason Pett, U.S. Internal Audit Leader, PwC. “These unfortunate instances are inflection points for audit committees and senior leadership to reexamine the important role culture plays in an organization.”

Indeed, as public confidence in capital markets continues to lag in the wake of the 2008 financial meltdown, shareholders, regulators and activists are pressuring audit committees like never before.

“The seasoned professionals serving on audit committees must be able to effectively address a widening array of risks, an increasingly complex regulatory environment, and growing demands from shareholders,” said IIA President and CEO Richard F. Chambers, CIA, QIAL, CGAP, CCSA, CRMA. “This is certainly no easy task. To execute effective oversight, they must be prepared, informed and engaged, which will require accurate information, a keen understanding of the changing landscape, and clear-eyed scrutiny of the organization’s culture.”

While culture is at the top of the agenda, it’s one of several new areas of focus being undertaken by BCM audit committees. “Banking on change” addresses many of these, including:

- **Avoid Role Confusion.** Growing attention on such areas as IT risks requires greater oversight. Balancing this responsibility with other vital obligations can lead to “role confusion.” To avoid any overlap, audit committees need to increase their interactions with other committees and coordinate coverage of important tasks.
- **Cut through the Clutter.** Many BCM audit committees face information overload, making it difficult to sort through what is important and what is just noise. Audit committees need to demand that management, internal audit, external audit, and others present information in clear, concise reports that help them focus on the right priorities.

“In the modern global world of banking, the regulatory and operating environment

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