

The Role of Business Ethics on Corporate Governance and International Internal Control Frameworks

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Abstract

This paper reports on an analysis of how business ethics is approached within internal control (IC) frameworks provided by the most relevant bodies issuing guidance in this area. The comparative content analysis of the international frameworks shows that only three of them (i.e. COCO, ERM COSO, and King Report) are in fact conceptually concerned with business ethics. It was observed that ERM COSO is the most effective framework to address ethical issues according to the analyzed perspective. The results point out that an adequate structure of IC can contribute to achieving significant levels of corporate governance (CG), and delivering on improved managerial and operational efficiency and effectiveness.

Keywords- business ethics; corporate governance; management control systems; internal control frameworks.