

Does your organisation's culture matters?

Trends around the world shows that regulators and investors view organisation culture as an important issue considering various corporate scandals which typically rooted from culture of unethical behaviour and practices.

"Culture is the reason why great organisations have sustained success. Culture drives expectations and beliefs. Expectations and beliefs drive behavior. Behavior drives habits. Habits create the future", as said by Jon Gordon, a famous author.

A study on corporate culture conducted by Duke's University which surveyed more than 1,800 CEOs and CFOs around the globe revealed that more than 90 percent of executives said culture is important at their firms, and 78 percent said culture is among the top five things that make their company valuable. But only 15 percent said their own corporate culture is exactly where it needed to be, and 92 percent said they believe improving their firm's corporate culture would improve the value of the company.

If you agree that your organisation culture is important,

have you done something to ensure that the culture exist is really the one that is expected to be in place?

Culture could make up from many things. As easy for us to identify, interestingly we don't audit most of those areas identified.

Many organisations increasingly recognise the benefits of a strong corporate culture and the potential costs of behavioral risks. As high-profile culture challenges make headlines, management are dealing with how to assess and get assurance over culture.

The Financial Stability Board, an international body that monitors and makes recommendations about the global financial system, suggested that when it comes to risk culture, financial institutions need to supervise 4 elements: Tone from the Top; Accountability; Effective

Communication and Challenge; and Incentives.

Those four elements are as equally relevant to risk culture as they are to culture and can be applied to all organisations of any size including private companies, government agencies and not-for-profits.

Culture is not an easy area to audit using traditional audit approaches. The increasing attention to and need for auditing culture requires an understanding of effective strategies and practical considerations for internal audit.

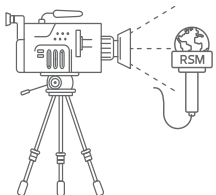
Where to start?

Start culture audits that meet your organisations' particular needs by taking into account its challenges, goals, and assurance priorities. Simplify the evaluation of culture and make it more manageable.

Begin by determining which aspects of culture to audit based on an assessment of organisational risks. Then continued by designing the appropriate approach based on the information sources available, and scoping it by considering location and functions with culture-related risks.



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KEY POINTS

- Culture can be the difference between a business that lasts and one that crushes under pressure. Healthy culture is integral to bottom lines and survival.
- Culture does not ends with articulating set of values. Cutting edge organisations knows the importance of ensuring corporate values are embedded at all levels.

THE POWER OF BEING UNDERSTOOD

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