

ICAS Webinar

The Future of ICAS' Code of Ethics

Tuesday 12 November 2024



Ethical
Leadership
since 1854

This event is about to start

ICAS Webinar

The Future of ICAS' Code of Ethics

Tuesday 12 November 2024



Ethical
Leadership
since 1854

Your experts for today



**James
Barbour CA**

Director of Policy
Leadership

ICAS



Jim Law

Director
Dodds & Law
Research Associates

ICAS Webinar

The Future of ICAS' Code of Ethics

Tuesday 12 November 2024



Ethical
Leadership
since 1854



ICAS Code of Ethics - 2025



The Future of ICAS' Code of Ethics

12 November 2024

ICAS Code of Ethics (Effective 1 January 2025)



- Revised ICAS Code of Ethics takes effect from 1 January 2025
- Replaces the extent 2022 version of the ICAS Code of Ethics
- The Code is substantively based on the Code of Ethics issued by the International Ethics Standards Board for Accountants (IESBA)
- In the UK many elements of the International Independence Standards do not apply as the FRC Ethical Standard applies – Audit and public interest assurance engagements.

ICAS Code of Ethics (Effective 1 January 2025)



Key areas of change

- Technology-related changes - including:
 - Confidentiality/use of data;
 - Complexity; and
 - Threats from, and using outputs of, technology
- Changes to definition of a Public Interest Entity (PIE) (but covered by FRC Ethical Standard)

ICAS Code of Ethics (Effective 1 January 2025)



Technology- related Changes

- The revisions are principles-based; apply to all technologies to try to cover the ever-evolving landscape of technology transformation.
- The revisions provide guidance relevant to elements of the fundamental principles that are important for the digital age; and enhance the Code's robustness in guiding the mindset and behaviour of professional accountants
- Enhance the International Independence Standards (IIS) by clarifying and addressing the circumstances in which firms and network firms may or may not provide a technology-related NAS to an audit or assurance client (**FRC Ethical Standard applies**)

ICAS Code of Ethics (Effective 1 January 2025)



Firstly, a reminder from the extant 2022 version of the Code.

(b) Objectivity – to exercise professional or business judgement without being compromised by:

- (i) Bias;
- (ii) Conflict of interest; or
- (iii) Undue influence of, or undue reliance on, individuals, organisations, **technology** or other factors.

This is not new but just to highlight that the inclusion of technology was to cover where consideration was being given to use of AI.

ICAS Code of Ethics (Effective 1 January 2025)



2025 Technology-related Revisions

- The technology-related revisions affect all Parts of the Code.
- This includes changes to Sections 110 (i.e., Subsections 113 and 114), 120, 200, 220, 300, 320, 400, 520, 600 (including Subsections 601 and 606), 900, 920 and 950. They also include revisions to the Glossary and conforming amendments in Sections 260 and 360 of the Code.
- FRC Ethical Standard generally covers sections 400 to 606 of the Code.



Professional Competence

113.1 A2 The knowledge and skills necessary for a professional activity vary depending on the nature of the activity being undertaken. For example, in addition to the application of any technical knowledge relevant to the professional activity, **interpersonal, communication and organizational skills facilitate the professional accountant's interaction with entities and individuals with whom the accountant interacts.**

ICAS Code of Ethics (Effective 1 January 2025)



Confidentiality

Definition of confidential information

The Code now includes a definition of ‘confidential information’ in the Glossary which is: ‘Any information, data or other material in whatever form or medium (including written, electronic, visual or oral) that is not publicly available.’

In addition, paragraph 114.1 A1 highlights that maintaining the confidentiality of information acquired in the course of professional and business relationships involves the professional accountant taking appropriate action to protect the confidentiality of such information throughout the data cycle i.e. in the course of its collection, use, transfer, storage or retention, dissemination and lawful destruction.

ICAS Code of Ethics (Effective 1 January 2025)



Disclosure of confidential information – exceptions to the prohibition (Substance is not new but is reworded with some additional new content)

Paragraphs R114.1 to R114.2 describe the prohibition on disclosure of confidential information. This is followed by paragraph R114.3 which states the limited situations where a professional accountant may disclose or use confidential information:

“R114.3 As an exception to paragraph R114.2, a professional accountant may disclose or use confidential information where: (a) There is a legal or professional duty or right to do so; or (b) This is authorised by the client or any person with the authority to permit disclosure or use of the confidential information and this is not prohibited by law or regulation.”

ICAS Code of Ethics (Effective 1 January 2025)



Disclosure of confidential information – exceptions to the prohibition

- Application material is subsequently included at paragraph 114.3 A3 to provide examples of circumstances where a professional accountant (PA) might seek authorisation to use or disclose confidential information.
- For certain matters, the authorisation could be of a general nature, for example, as found in some contracts signed between firms and their clients that permit the use of confidential information acquired in the course of a professional activity for the purposes of the firm’s internal training or other quality enhancement initiatives.
- The reference to “internal training” in this paragraph is intended to encompass the training of both internal AI systems and staff in either a firm or an employing organisation.
- In more specific circumstances where a PA seeks authorisation to use or disclose confidential information the revisions:
 - Set out what a PA might communicate when seeking the authorisation, preferably in writing.
 - Specify that such authorisation should be sought from the individual or entity that provided the confidential information.

ICAS Code of Ethics (Effective 1 January 2025)



114.3 A3 The circumstances in which a firm or employing organization seeks authorization to use or disclose confidential information, include where the information is to be used for training purposes, in the development of products or technology, in research or as source material for industry or other benchmarking data or studies. Such authorization might be general in its application (for example, in relation to use of the information for internal training purposes or quality enhancement initiatives). When obtaining the authorization of the individual or entity that provided such information for use in specific circumstances, relevant considerations to be communicated (preferably in writing) might include:

- The nature of the information to be used or disclosed.
- The purpose for which the information is to be used or disclosed (for example, technology development, research or benchmarking data or studies).
- The individual or entity who will undertake the activity for which the information is to be used or disclosed.
- Whether the identity of the individual or entity that provided such information or any individuals or entities to which such information relates will be identifiable from the output of the activity for which the information is to be used or disclosed.

ICAS Code of Ethics (Effective 1 January 2025)



Requirement (paragraph R114.2) - A professional accountant shall not:
(d) Use or disclose information in respect of which the duty of confidentiality applies notwithstanding that that information has become publicly available, whether properly or improperly.

ICAS Code of Ethics (Effective 1 January 2025)



Complex circumstances

Revisions to the Conceptual Framework at paragraphs 120.5 A6 to 120.5 A8 recognise that professional judgement exercised by PAs might need to take into account the complexity of the circumstances that they face.

Although complex circumstances have always existed and are not a new phenomenon specific to technology, rapid digitalisation has increased the interconnectedness of social, economic, legal and geopolitical systems, and is a complex circumstance that PAs are now facing. In this regard, the guidance included should not be restricted to technology-specific complex circumstances.

ICAS Code of Ethics (Effective 1 January 2025)



Complex circumstances (Cont'd)

The revisions highlight that **managing complexity** involves:

Making the firm or employing organisation and, if appropriate, relevant stakeholders aware of the inherent uncertainties or difficulties arising from the facts and circumstances.

Being alert to any developments or changes in the facts and circumstances and assessing whether they might impact any judgments the accountant has made.

It might also involve other matters, including:

- Analysing and investigating as relevant, any uncertain elements, the variables and assumptions and how they are connected or interdependent.
- Using technology to analyse relevant data to inform the PA's judgement.
- Consulting with others, including experts, to ensure appropriate challenge and additional input as part of the evaluation process.

ICAS Code of Ethics (Effective 1 January 2025)



Organisational Culture

120.13 A3 Professional accountants are expected to:

(a) Encourage and promote an ethics-based culture in their organization, taking into account their position and seniority; and

(b) Exhibit ethical behavior in dealings with individuals with whom, and entities with which, the accountants, the firm or the employing organization has a professional or business relationship.

See also 200.5 A3

ICAS Code of Ethics (Effective 1 January 2025)



Identifying Threats relating to the use of Technology

- The revisions at paragraphs 200.6 A2 and 300.6 A2 highlight facts and circumstances relating to the use of technology that might create threats for a PA when undertaking a professional activity.
- These include the self-interest threat that a PA might not have sufficient information and expertise, or access to an expert with sufficient understanding, to use and explain the technology and its appropriateness for the purpose intended.
- A self-review threat is created where the technology was designed or developed using the knowledge, expertise or judgement of the accountant or employing organisation/firm.

ICAS Code of Ethics (Effective 1 January 2025)



Identifying Threats Associated with the Use of Technology

200.6 A2 The following are examples of facts and circumstances relating to the use of technology that might create threats for a professional accountant when undertaking a professional activity:

- Self-interest Threats
 - o The data available might not be sufficient for the effective use of the technology.
 - o The technology might not be appropriate for the purpose for which it is to be used.
 - o The accountant might not have sufficient information and expertise, or access to an expert with sufficient understanding, to use and explain the technology and its appropriateness for the purpose intended. (Ref: Para. 230.2).
- Self-review Threats
 - o The technology was designed or developed using the knowledge, expertise or judgement of the accountant or employing organisation.

ICAS Code of Ethics (Effective 1 January 2025)



Evaluation of Technology Threat

200.7 A4 The professional accountant's evaluation of the level of a threat associated with the use of technology might also be impacted by the work environment within the employing organisation and its operating environment. For example:

- Level of corporate oversight and internal controls over the technology.
- Assessments of the quality and functionality of technology that are undertaken by a third-party.
- Training that is provided regularly to all relevant employees so they obtain and maintain the professional competence to sufficiently understand, use and explain the technology and its appropriateness for the purpose intended.

See also 300.7 A6

ICAS Code of Ethics (Effective 1 January 2025)



Using the output of technology

Paragraphs R220.8 and 220.8 A1 have been added in Section 220 'Preparation and presentation of information' for professional accountants in business and corresponding paragraphs R320.11 and 320.11 A1 in Section 320 'Professional Appointments' for professional accountants in practice in relation to "Using the output of technology".

When preparing or presenting information, a PA who intends to use the output of technology, whether internally or externally developed, is required to exercise professional judgement to determine the appropriate steps to take, if any, to guard against matters such as bias or being associated with misleading information.

When a PA in public practice intends to use the output of technology in the course of undertaking a professional activity, the accountant needs to determine whether the use is appropriate for the intended purpose.

ICAS Code of Ethics (Effective 1 January 2025)



Using the output of technology (Cont'd)

Factors to consider include:

- The nature of the activity to be performed by the technology.
- The expected use of, or extent of reliance on, the output of the technology.
- Whether the PA has the ability, or has access to an expert with the ability, to understand, use and explain the technology and its appropriateness for the purpose intended.
- Whether the technology used has been appropriately tested and evaluated for the purpose intended.
- Prior experience with the technology and whether its use for specific purposes is generally accepted.
- The employing organisation's/firm's oversight of the design, development, implementation, operation, maintenance, monitoring, updating or upgrading of the technology.
- The controls relating to the use of the technology, including procedures for authorising user access to the technology and overseeing such use.
- The appropriateness of the inputs to the technology, including data and any related decisions, and decisions made by individuals in the course of using the technology.

While ultimately it is the “output of the technology” that a PA will utilise in the delivery of their professional activity or service, in order to be able to use such output, the whole process of making use of the technology is considered within the application material as seen in the above bullets.

Other Changes



- Section 325 – Engagement Quality Reviewer and Other Appropriate Reviewers
- International Standard on Quality Management (ISQM) 1 related changes – confirming amendments.
- Fees – these are primarily in the areas of the Code (IIS) covered by the FRC’s Ethical Standard
- Provision of non audit services – these are primarily in the areas of the Code (Part 4A) covered by the FRC’s Ethical Standard

ICAS Code of Ethics (Effective 1 January 2025)



International Independence Standards

- The IESBA has also incorporated revisions to Parts 4A and 4B of the Code – the International Independence Standards - in relation to technology.
- Please note that auditors undertaking an audit in the UK, and professional accountants undertaking other public interest assurance engagements in compliance with the engagement standards issued by the Financial Reporting Council (FRC), are required to comply with the requirements of the FRC's Ethical Standard and there is no requirement to also have to comply with Part 4A of the Code.
- Detailed explanation is provided in Section 400 of the ICAS Code of Ethics.

ICAS Code of Ethics (Effective 1 January 2025)



Section 331 – Agencies and Referrals

- References to Ireland in the Code have been removed.

Future Changes



- Tax planning changes
- Work ongoing to determine equivalence with Professional Conduct in Relation to Taxation
- Sustainability-related changes – expect IESBA to approve in December 2024 along with ‘Use of experts’ work stream

FRC Ethical Standard



- Revised Ethical Standard 2024, becomes effective from 15 December 2024.
- FRC also published guidance on the objective, reasonable and informed third party test.

FRC Ethical Standard



Part B: Section 1 – General requirements and guidance compliance: Breaches

- The 'breaches' provisions in extant paragraphs 1.21 and 1.22 are now included in paragraphs 1.21 to 1.25. New provisions highlight the following:
- Firm monitoring arrangements are to be designed with the objective to effectively capture all relevant breaches of the ethical standard which are identified by the firm.
- Whenever a possible or actual breach is identified, in making the judgement as to the action to be taken the Ethics Partner and engagement partner are to consider the perspective of an objective, reasonable and informed third party.
- The firm is to report to the Competent Authority about individual breaches outside of the biannual timetable where the Competent Authority would reasonably expect notice. This may be due to the nature or seriousness of the breach. For example, where the firm may need to consider resigning from an engagement.
- Whether a breach is inadvertent is a matter of professional judgement based on an objective assessment of the evidence.

FRC Ethical Standard



Part B: Section 2 – Financial, business, employment and personal relationships

Financial relationships

- The provisions in relation to personal financial independence in paragraphs 2.3 and 2.4 have been re-worded for clarification. This is not intended to create new requirements.

Financial interests held as trustee

- An addition to paragraph 2.16 in relation to financial interests held as trustee states that a trustee interest is not to be held, in the case of a firm, where a covered person, a person closely associated with them, or a network firm is an identified potential beneficiary of the trust.

FRC Ethical Standard



Part B: Section 3 - Long association with engagements and with entities relevant to engagements

- A new table has been added at the end of this section at paragraph 3.22 to summarise the rotation periods for audit partners, engagement quality reviewers, and other senior staff. Plus, a new paragraph 3.23 has been added which draws on guidance from the FRC Technical Advisory Group's (TAG's) "Rolling record of actions arising" when there are significant gaps of service.

Part B: Section 4 - Fees, remuneration and evaluation policies, gifts and hospitality, litigation

- In paragraphs 4.21, 4.22, 4.25, 4.27 and 4.29 (extant paragraphs 4.23, 4.24, 4.27, 4.29 and 4.31) there is a new restriction on fees from entities related by a single controlling party. This is an important new restriction and widens the applicability of the fees requirements.

FRC Ethical Standard



Part B: Section 5 - Non-audit/additional services - Section A - General approach to non-audit/additional services

Documentation

- Paragraph 5.32 states that the engagement partner must ensure that the reasoning for a decision to provide non-audit/or additional services is appropriately documented. Paragraph 5.33 has been re-worded to better highlight what the FRC expects practitioners to document:

“5.33 Matters to be documented include:

- threats identified;
- safeguards adopted and why they are considered to be effective in responding to the specific threats identified;
- any significant judgements concerning the potential threats and proposed safeguards; and
- where relevant, how the Objective and Reasonable Third Party Test was applied;
- communication with those charged with governance.”

FRC Ethical Standard



Part B: Section 5 – Non-audit/additional services - Section B - Approach to non-audit/additional services provided to public interest entities

The ‘Reporting on the iXBRL tagging of financial statements in accordance with the European Single Electronic Format for annual financial reports’ has been moved from the list of ‘Services required by law or regulation and exempt from the non-audit services cap’ to being included under the list of ‘Services subject to the non-audit services cap’. The revised Ethical Standard 2024 adds that: ‘In situations involving a dual listed entity where iXBRL tagging assurance is required by the laws and regulations of another jurisdiction, then the part of the fee relating to such another jurisdiction is not subject to the fee cap.’

FRC Ethical Standard



Part B: Section 5 – Non-audit/additional services - Section C - Approach to Non-audit/additional services provided in any statutory audit engagement

Internal audit services

- A new paragraph 5.46 provides clarity of the internal audit services definition.
- Providing electronic security or back-up services, such as business continuity or disaster recovery functions, for the entity's data or records. Operating, maintaining, or monitoring such an entity's IT systems, network or website.

5.54 The collection, receipt, transmission and retention of data provided by an audited entity in the course of an audit or to enable the provision of a permissible service to that entity do not create the threats described in paragraph 5.53.”

FRC Ethical Standard



Part B: Section 5 – Non-audit/additional services - Section C - Approach to Non-audit/additional services provided in any statutory audit engagement

Information technology services

New paragraphs 5.53 and 5.54 have been added in order to reflect the International Ethics Standards Board for Accountant's (IESBA's) 'Technology-related revisions to the Code' which will become effective 15 December 2024.

FRC Ethical Standard



Part B: Section 5 – Non-audit/additional services - Section C - Approach to Non-audit/additional services provided in any statutory audit engagement

“5.53 Examples of services provided to an entity relevant to an engagement which create threats to the integrity, objectivity and independence of the firm and covered persons include:

Storing or managing the hosting of data on behalf of an entity relevant to an engagement.

Such services include:

- Acting as the only access to financial or non-financial information system of such an entity.
- Taking custody of or storing the entity’s data or records such that the entity’s data or records are otherwise incomplete.
- Providing electronic security or back-up services, such as business continuity or disaster recovery functions, for the entity’s data or records.
- Operating, maintaining, or monitoring such an entity’s IT systems, network or website.

5.54 The collection, receipt, transmission and retention of data provided by an audited entity in the course of an audit or to enable the provision of a permissible service to that entity do not create the threats described in paragraph 5.53.”

FRC Ethical Standard



Tax services

The FRC has added (d) to paragraph 5.67 (extant paragraph 5.64) in relation to the range of activities covered by the term ‘tax services’:

“5.67 The range of activities encompassed by the term ‘tax services’ is wide. They include where the firm:

- (a) Provides advice to the entity on one or more specific matters at the request of the entity.
- (b) Or undertakes a substantial proportion of the tax planning or compliance work for the entity.
- (c) Or promotes tax structures or products to the entity, the effectiveness of which is likely to be influenced by the manner in which they are accounted for in the financial statements, or in other subject matter information.
- (d) Performs any of the services described in paragraphs a-c to individuals who are the controlling shareholders of an entity relevant to an engagement. Firms need to identify threats to independence from the provision of such services, including familiarity threats, and any relevant safeguards that can be applied.”

FRC Ethical Standard



Tax services (Cont'd)

Paragraph 5.74 has been included to be in line with the provisions in the IESBA Code highlighting that the preparation of tax calculations of current and deferred tax liabilities (or assets) for an audited entity for the purpose of preparing accounting entries that support such balances creates a self-review threat.

Paragraph 5.80 has also been added which incorporates FRC Technical Advisory Group guidance to the prohibition in paragraph 5.79 on providing tax services where this would involve acting as an advocate for the entity in the resolution of an issue.

FRC Ethical Standard



Legal services

Paragraph 5.87 (extant paragraph 5.83) has been amended to bring the provision in line with the prohibition in the IESBA Code stating that “the firm shall not provide legal services to an entity relevant to an engagement, where this would involve acting as the General Counsel of that entity, or a solicitor formally nominated to represent the entity in the resolution of a dispute or litigation.”

Recruitment and remuneration services

Paragraph 5.89 (extant paragraph 5.85) has been changed to be more in line with the provisions in the IESBA Code by extending the prohibition on recruitment services as set out in this paragraph to network firms and adding bullets noting services which could be considered ‘recruitment services’.

Corporate finance services

The FRC has amended paragraph 5.97 (extant paragraph 5.93) to be more in line with the provisions in the IESBA Code by extending the prohibition on corporate finance services being provided when the service would involve the firm taking responsibility for dealing in, underwriting, or promoting shares, debt and other financial instruments, or providing advice on investments in such shares, debt or other financial instruments

FRC Ethical Standard



Other entity of public interest (OEPI)

The FRC's consultation sought views on whether to withdraw the category of 'OEPIs'. Entities which fall within this category are subject to enhanced restrictions on the types of non-audit services which their auditors can provide. In its Feedback Statement and Impact Assessment, the FRC noted the following:

“The FRC does not have the statutory powers to revise the definition of a UK Public Interest Entity (PIE). That is a decision for government. However, the FRC does have the power to amend or withdraw the OEPI category, and given the unanimous nature of this consultation feedback it is highly likely that we will do so once details of any new statutory definition are known. We believe this will be an effective de-regulatory action, reducing complexity and helping the competitiveness of the UK economy. The FRC entirely agrees with the objective to have a simple and straightforward definition of a UK PIE, including one that is as closely aligned as possible to the IESBA Code.”

ICAS Code of Ethics (Effective 1 January 2025)



Organisational Culture

- We are currently updating our The Power of One paper on organisational paper to take account of developments since it was first published.
- There will be no changes of substance.
- Organisational culture can have a major impact on ethical behaviour and this has been recognised globally.
- Related paper from CPA Canada to which we provided input will also be signposted

ICAS Code of Ethics (Effective 1 January 2025)



Modern Slavery

- Given the importance of this topic we recently issued guidance on [icas.com](https://www.icas.com) [‘What CAs need to know’](#)
- As highlighted in The Power of One ‘Organisational culture and values’ paper, the right ‘tone at the top’ of organisations is essential. An organisation’s values, ethical principles and code of conduct, including policies and procedures in relation to modern slavery, need to be set, and then promoted, by the board to influence all in the organisation to adopt and live them.

“Producing a comprehensive Modern Slavery Statement that reflects the actual steps taken by an organisation and incorporates deliverable actions is one such step, but does not mean that an organisation’s efforts to eradicate modern slavery in its operations are complete.

ICAS Code of Ethics (Effective 1 January 2025)



Modern Slavery (Cont'd)

- While having a comprehensive statement is a good place to start, it should reflect genuine activities that are embedded in a company's day-to-day operations which are aimed at increasing transparency and accountability.”
- Organisations ought to know where the problems could be in relation to modern slavery and have mechanisms in place around what they'll do if an issue is found. If no problems are being reported, then boards need to be curious as to how that can be. There is a need for proactive disclosures from businesses around what they are doing, what they found, and how issues were dealt with.





Ethical Leadership Survey Findings

2024

vi

Research Objectives

This research explores what ethical leadership looks like in an increasingly uncertain world, and establishes the perceptions of members on Ethical Leadership, investigating: -

- the ethical challenges they face today;
- who they view as being ethical leaders; the characteristics of ethical leaders;
- experience with ethical issues
- and how they have/would deal with ethical dilemmas.

- **Online survey issued to a sample of 10,028 ICAS members**
- Survey issued on 19th June 2024 and closed on 3rd July 2024
- **710 individuals participated in the survey** - Response rate: 7%
- *Note: base numbers vary depending on how many answered each specific question*
- Maximum Margin of error related to this member survey is + or – 3.8%
- Strict confidentiality is provided to the respondents and ICAS doesn't have access to the identity of the participants



Executive Summary

Executive Summary: I

- Ethical challenges are perceived to be more common nowadays (42%) than less common (5%). With just under half (47%) indicating ‘no difference’.
- Most respondents feel well-equipped to deal with ethical challenges (62% *extremely or very well-equipped*)
- Most consider ‘*ethical dimensions*’ and consider that their organisation ‘*values ethical leadership*’
- Ethical Leaders are considered to have...*integrity, consistency, openness, courage, empathy and are trustworthy*
- Ethical organisations are...*transparent, accountable, supportive, fair, and have strong ethical policies.*
- Most respondents have provided ethical leadership to Senior (60%) and/or Junior (59%) colleagues, which has generally been well received.

Executive Summary: 2

- AI has increased ethical considerations for almost half (42%)
- The line between ethical and unethical behaviour is not always clear for the majority (59%)
- Most (57%) consider ICAS to provide strong ethical leadership, with one in five (22%) thinking it could be stronger.
- Less than half are aware of 'The Power of One' Campaign (47%)
- ICAS could offer more advice and training on ethical challenges, particularly for individuals.

- A substantial minority (41%) have experienced pressure related to ethical issues.

- The top perceived ethical challenges (both technical and behavioural) are...
 - *Conflicts of interest*
 - *Pressure to provide or accept misleading information*
 - *Accounting practice irregularities*
 - *Tax Practice/HMRC issues*
 - *Greenwashing/sustainability issues*

Executive Summary: 3

- Almost all (94%) agree “*It is your role as a Chartered Accountant to call out behaviour that falls below accepted ethical standards*”
- 90% have experienced an Ethical challenge. The average number of challenges was 4.8, but some may overlap with fewer instances.
- The majority raised concerns about the issue internally with management and/or colleagues.
- The minority who chose not to raise the issue had concerns re ‘*Job Security*’, ‘*Career prospects*’ and/or ‘*relationships with colleagues*’.

Executive Summary: 4

- The majority were satisfied with the outcome in relation to most issues, although a minority were dissatisfied.
- Most (91%) think there is an *'individual they could approach confidentially'* if they had an ethical challenge
- Most organisations (79%) have an ethical code or policy, most commonly located on an internal website.
- Most individuals (71%) would definitely report an ethical challenge internally in their organisation

- One in five (22%) don't think that organisations provide a supportive environment to raise ethical concerns.
- Most think that there should be *'greater protection for individuals'* and an increase in a *'culture of openness'* to provide increased protection for individuals who raise ethical challenges.



Ethical Leadership

Ethical Leaders

Please write in the names of any individuals you consider to be Ethical Leaders. This can be in any walk of life.

What do you consider to be the main characteristics for an individual to be seen as an Ethical Leader?



Ethical leaders are characterised by their integrity, willingness to sacrifice, consistent ethical behaviour, openness, courage, trustworthiness, fairness, empathy, and commitment to fostering an ethical culture.



Ethical Organisations

Please write in the names of any organisations you consider to be Ethical leaders. This can be in any sector.

What do you consider to be the main characteristics for an organisation to be seen as an Ethical Leader?



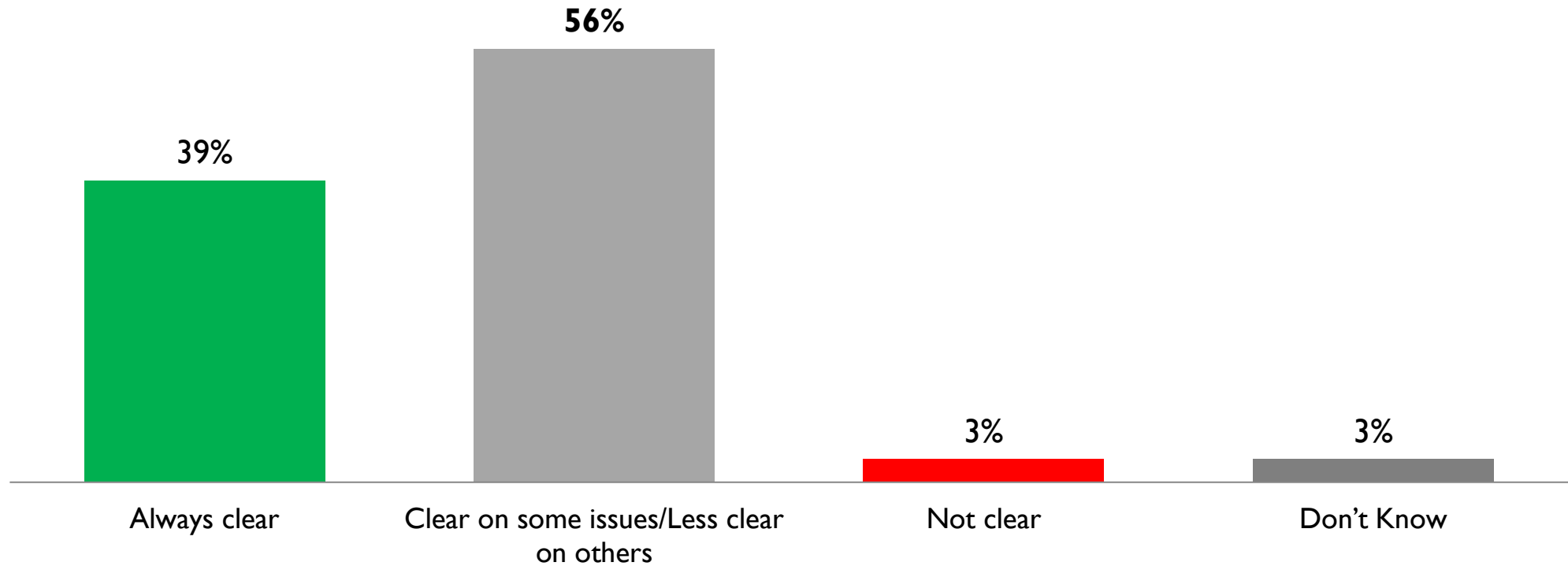
ICAS is mentioned significantly more than any other organisation, suggesting a strong belief in its ethical standards and practices.

Ethical leadership in organisations is characterised by integrity, transparency, accountability, strong ethical policies, supportive culture, commitment to core values, openness, and fair treatment of all.



Blurred Lines / Grey areas

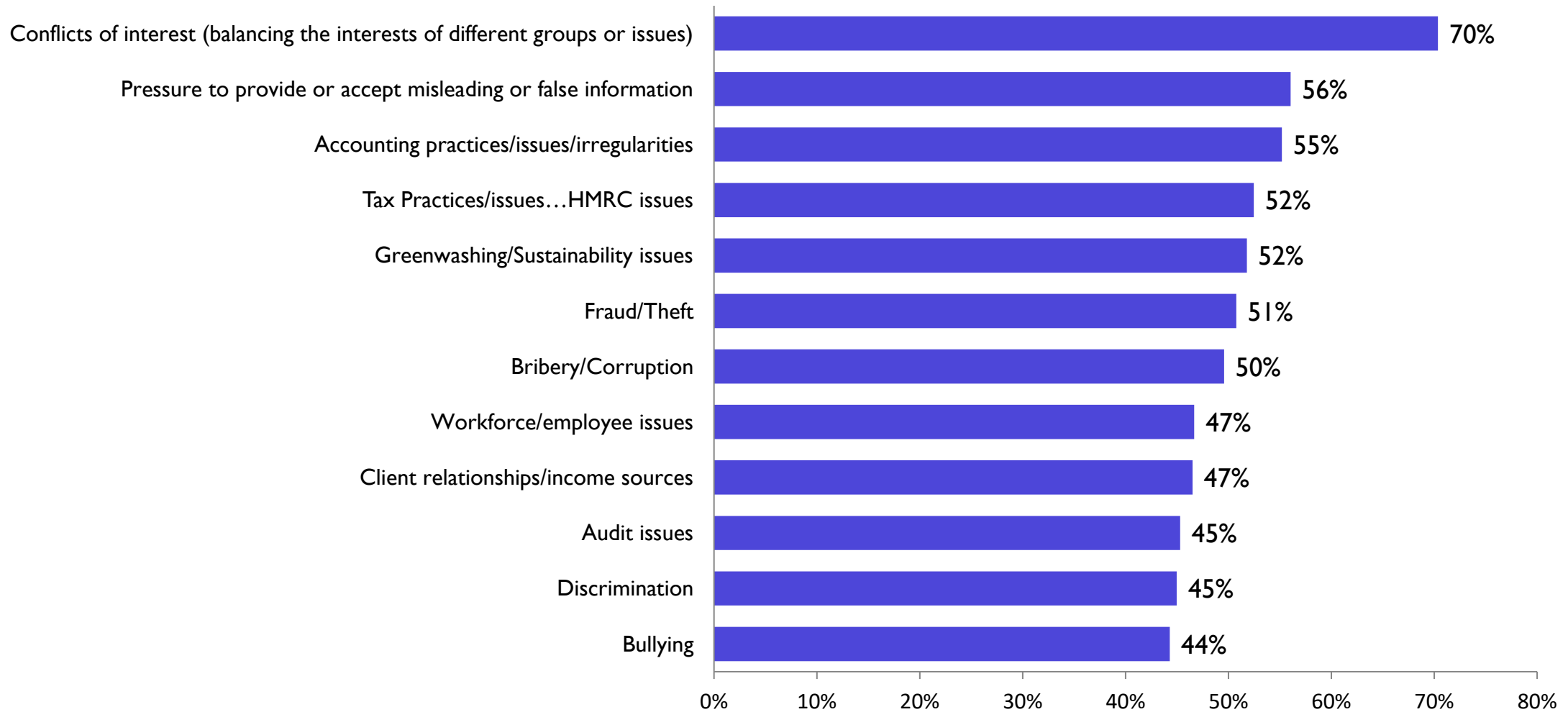
To what extent do you consider the lines between Ethical and Unethical behaviour are clear?





Most common perceived ethical challenges...

Which of the following do you consider to be Ethical challenges related to the accountancy profession nowadays?



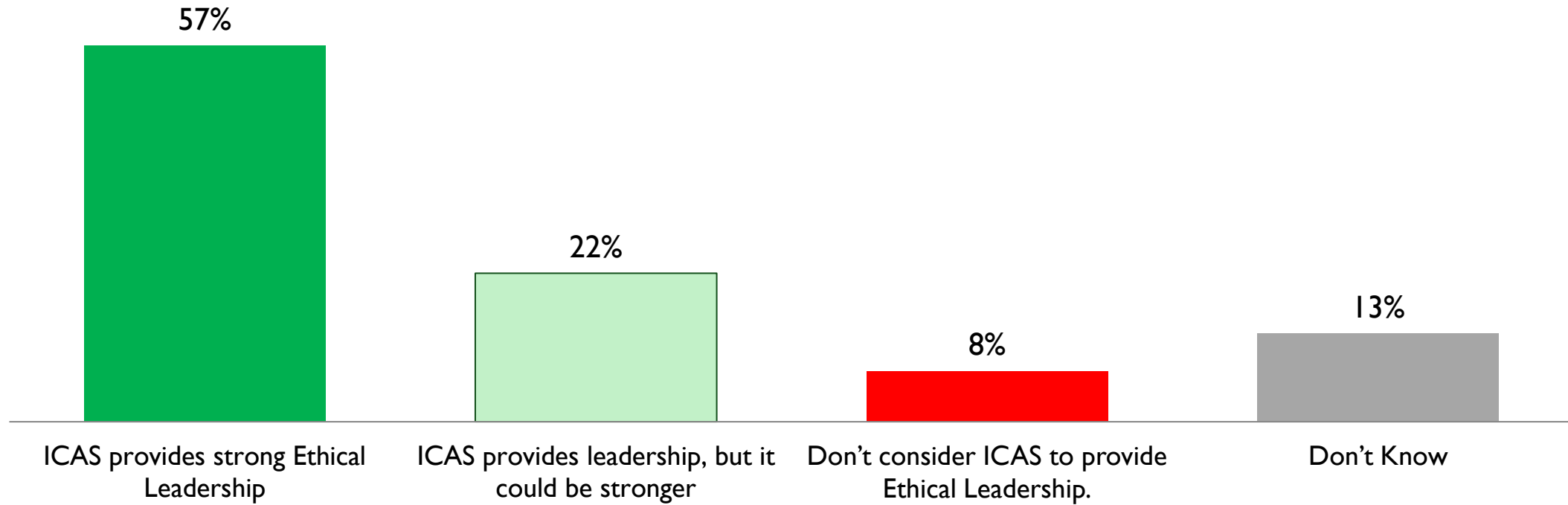


ICAS role



Views on ICAS

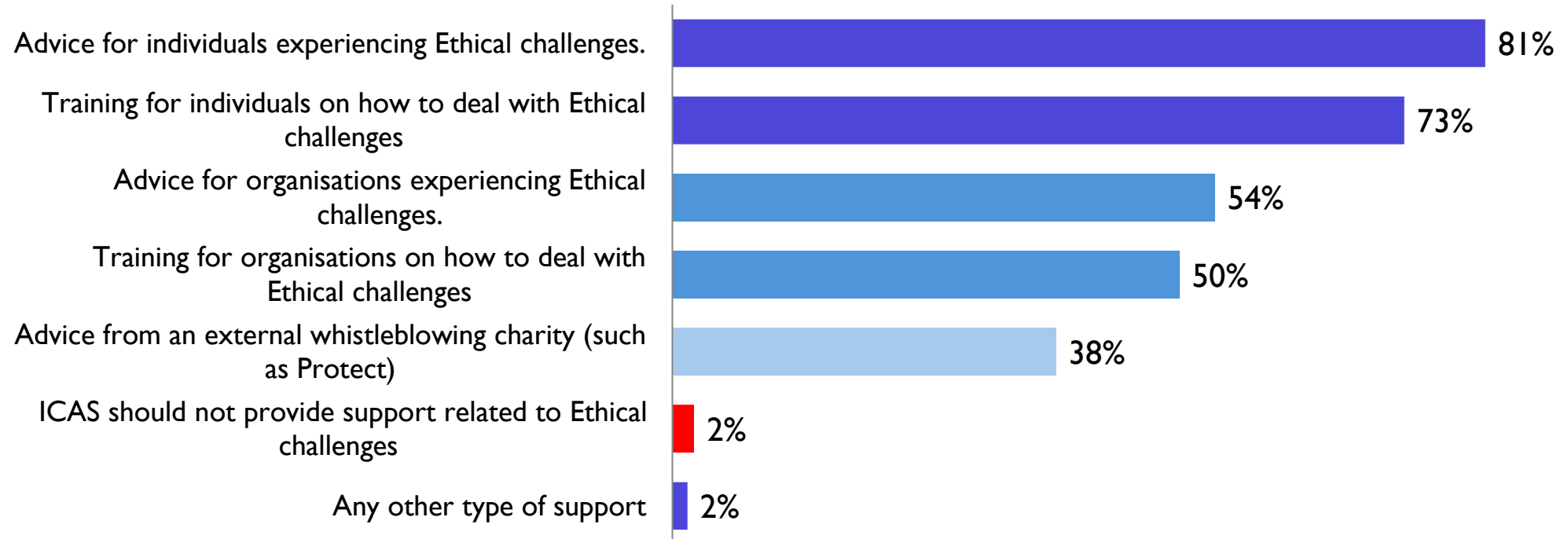
To what extent do you consider ICAS to be an Ethical leader in the Accountancy Profession?





What should ICAS offer?

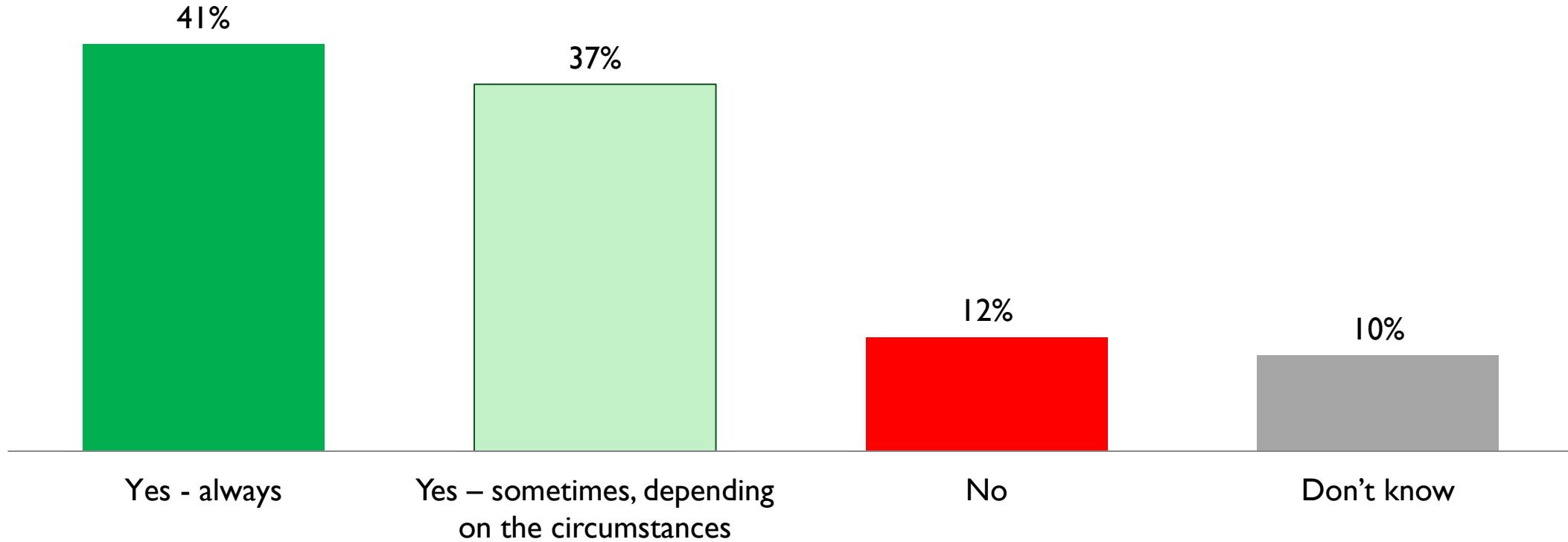
Which of the following types of Ethical support should ICAS offer to members?





ICAS Principles

When exercising professional judgment, do you actively consider the principles set out in the ICAS code of ethics?



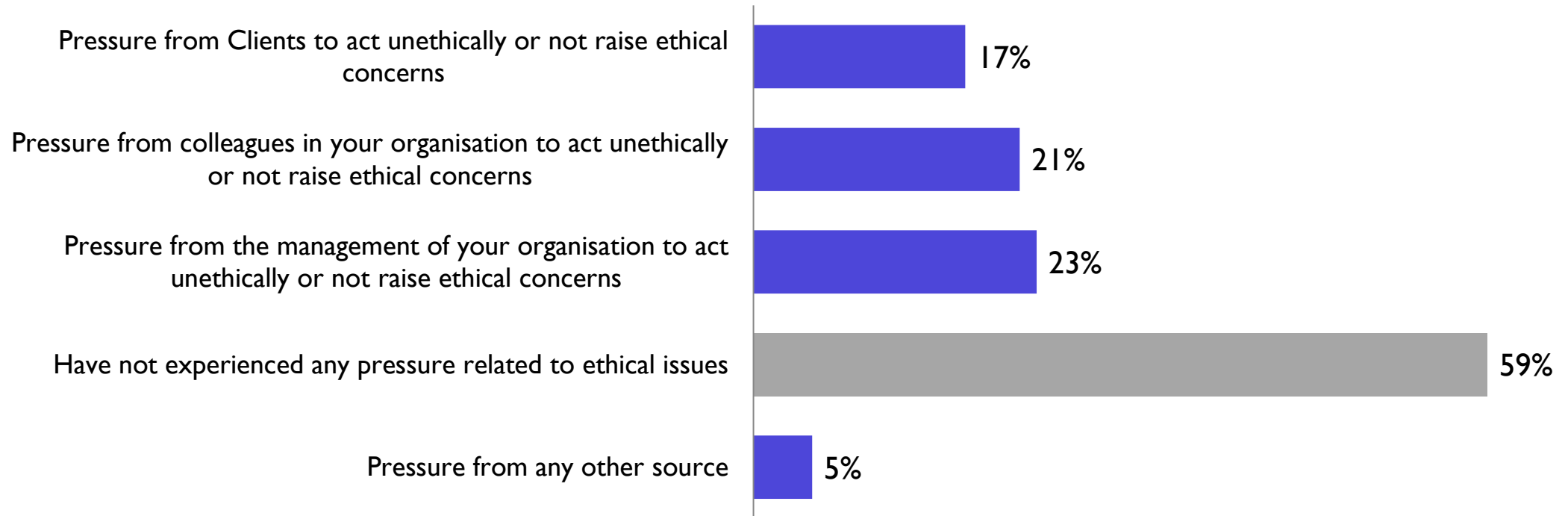


Experience



Experience of ethical issues

Have you experienced any of the following in relation to Ethical issues?



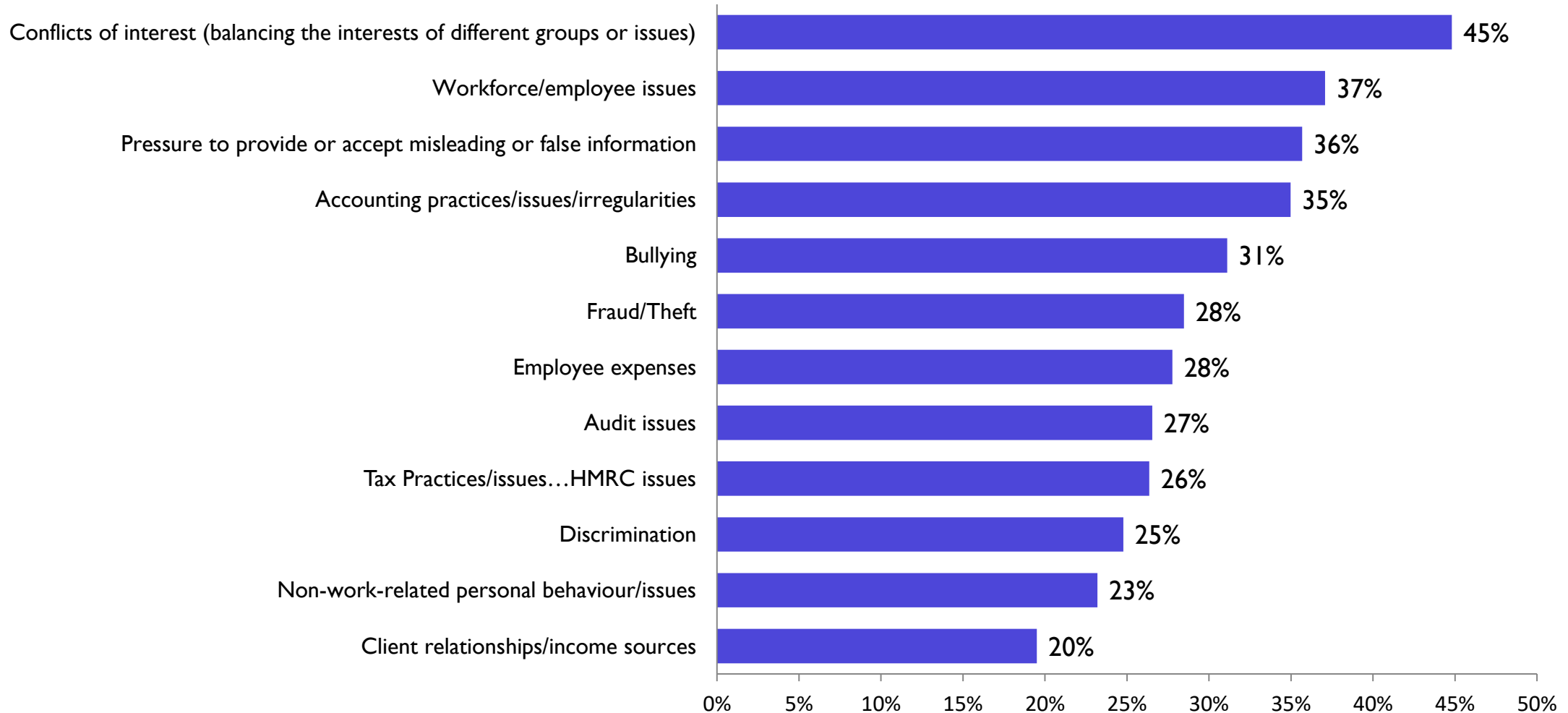
41% have experienced pressure

Younger members are more likely to experience pressure



What challenges have you experienced? (I)

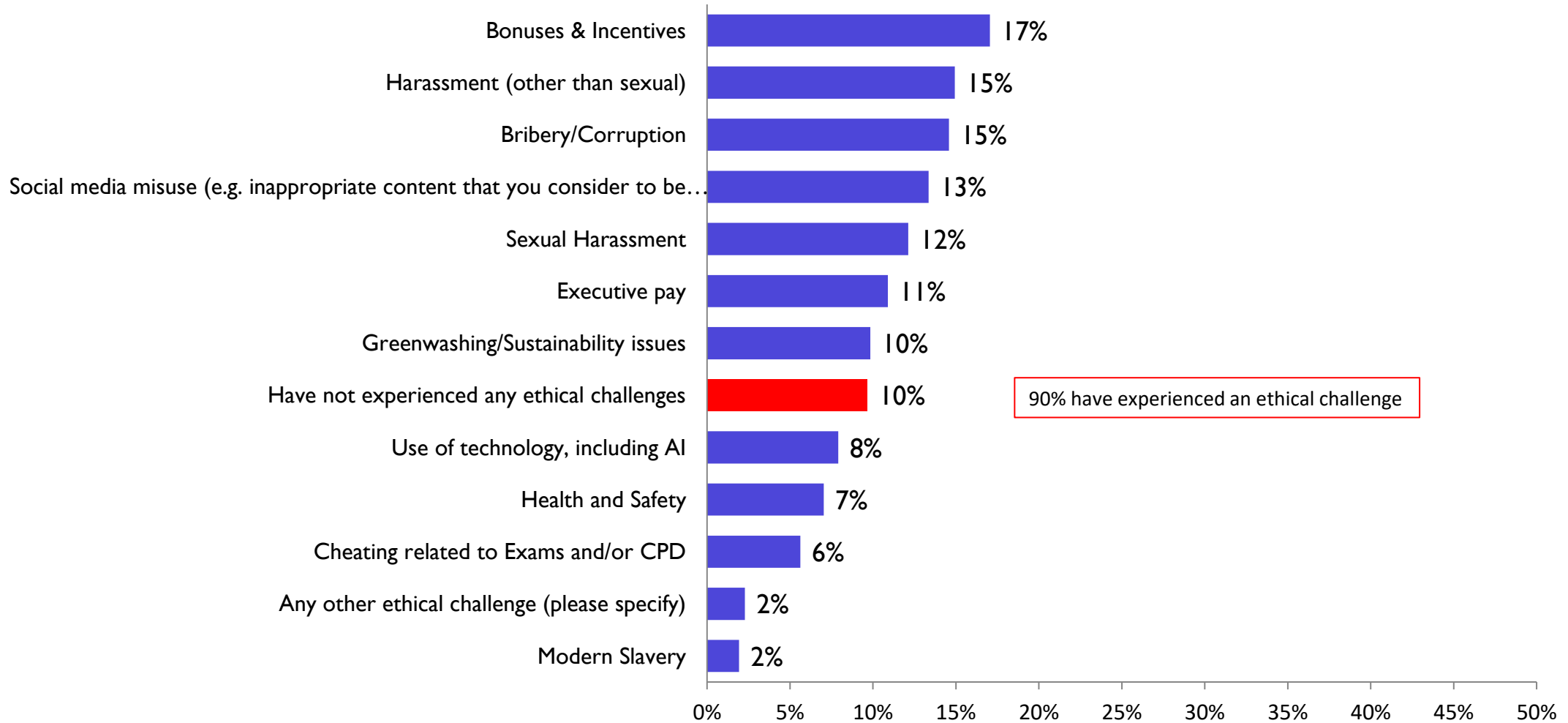
Which of the following Ethical challenges have you experienced in your career?





What challenges have you experienced? (2)

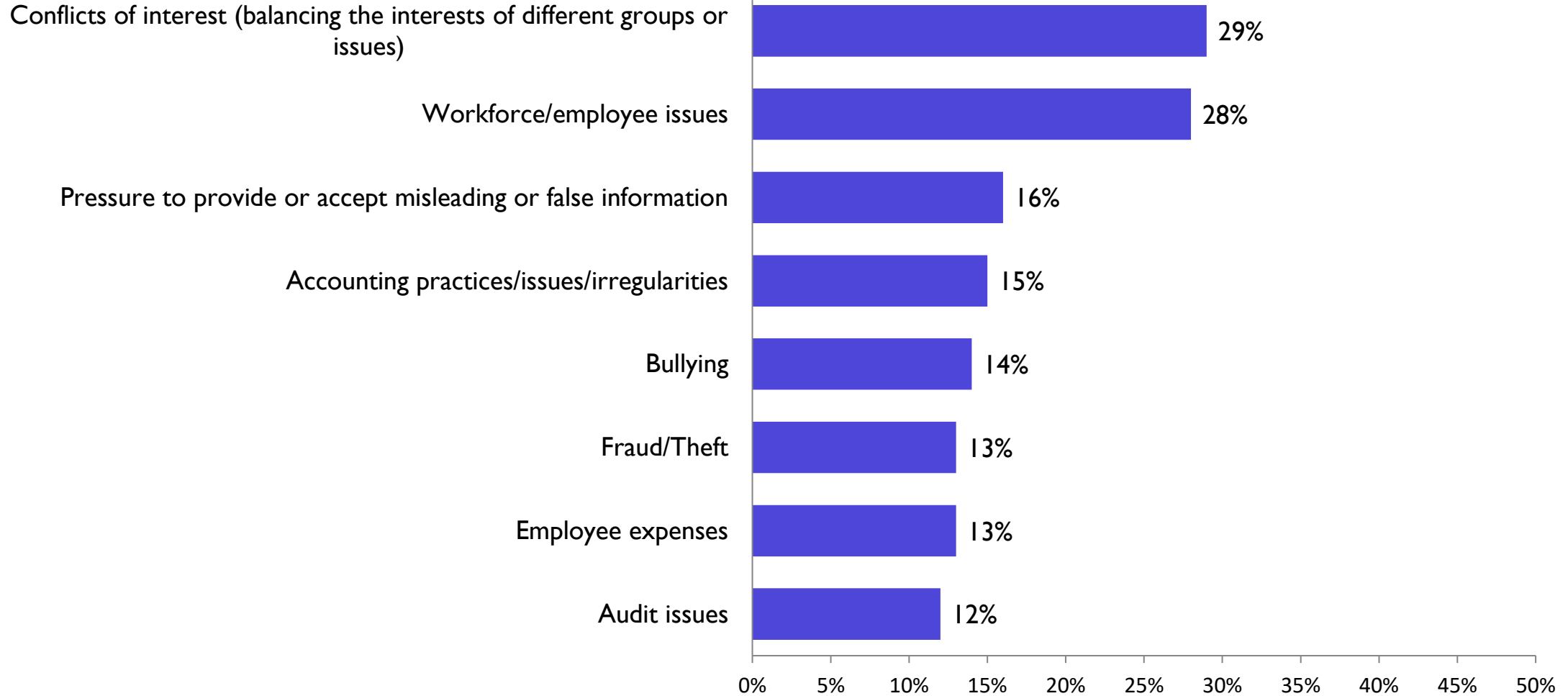
Which of the following Ethical challenges have you experienced in your career?





8 most common challenges experienced in last 12 months

Experienced in the last 12 months



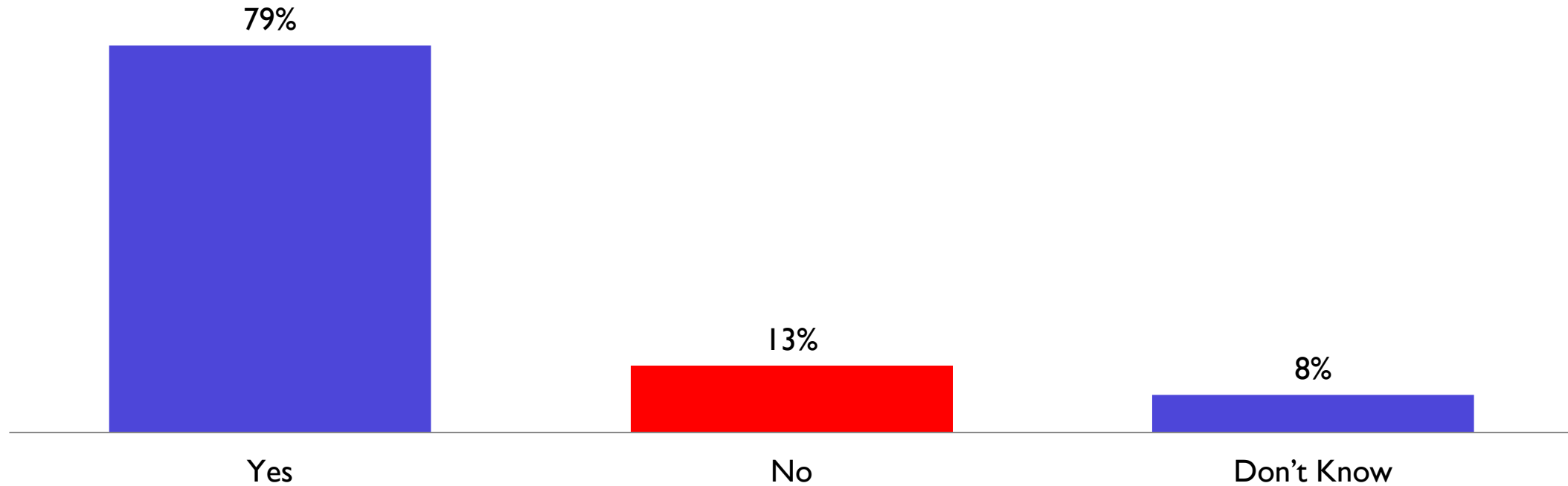


Perceptions – re future



Ethical policies in organisations

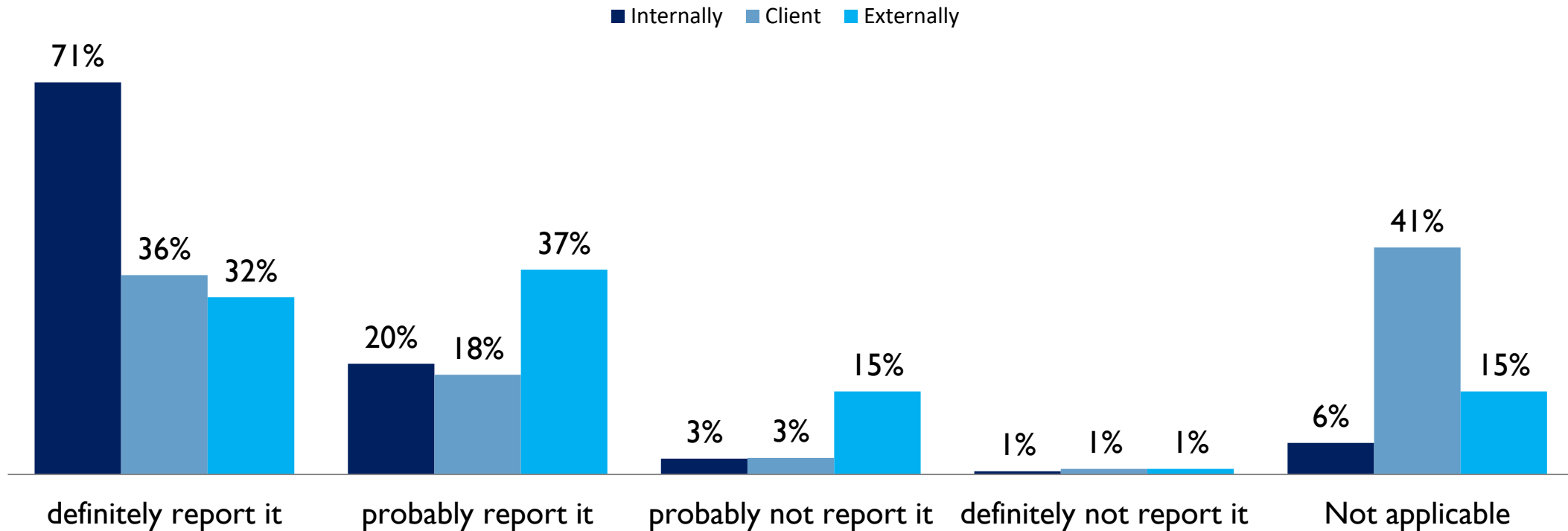
Does your organisation have an Ethical policy, code of ethics/conduct or Ethical statement?





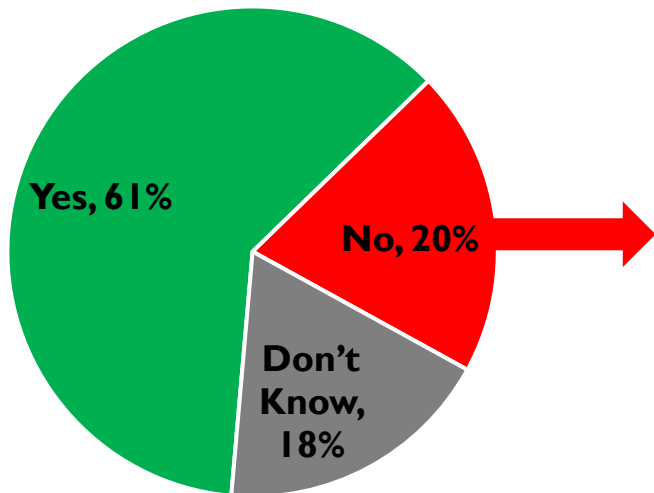
Future intentions reporting internally

If you were faced with an Ethical challenge tomorrow that you considered needed reporting, would you...raise it internally in your organisation...with your client...externally

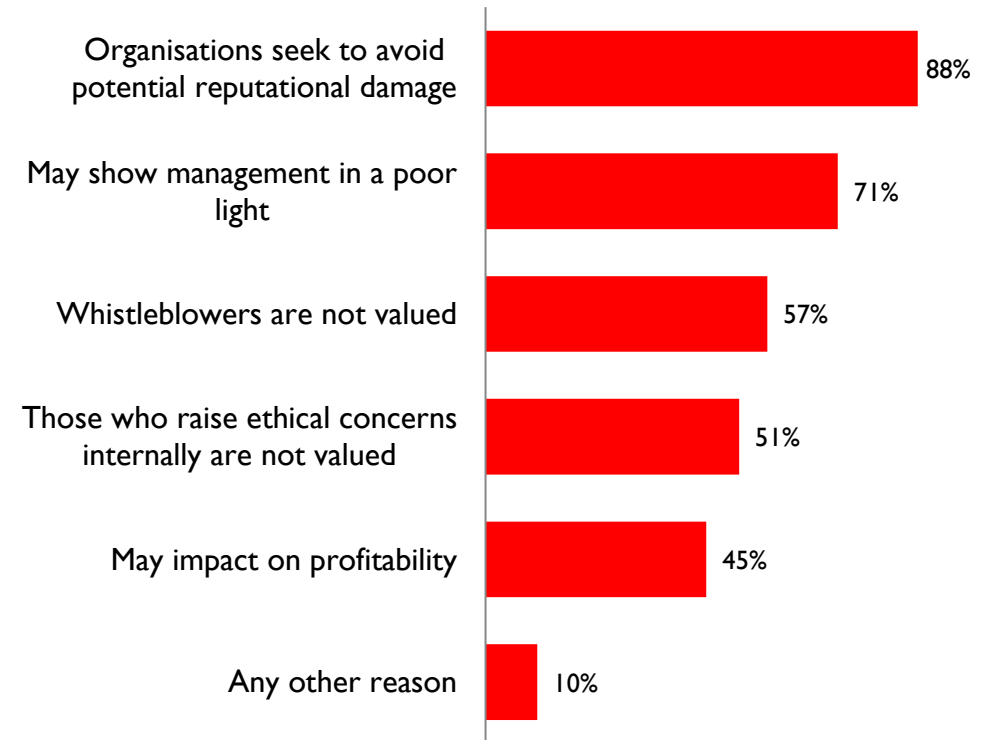


Support for those raising concerns

In general terms, do you think that organisations provide a supportive environment where people are encouraged to raise ethical concerns?



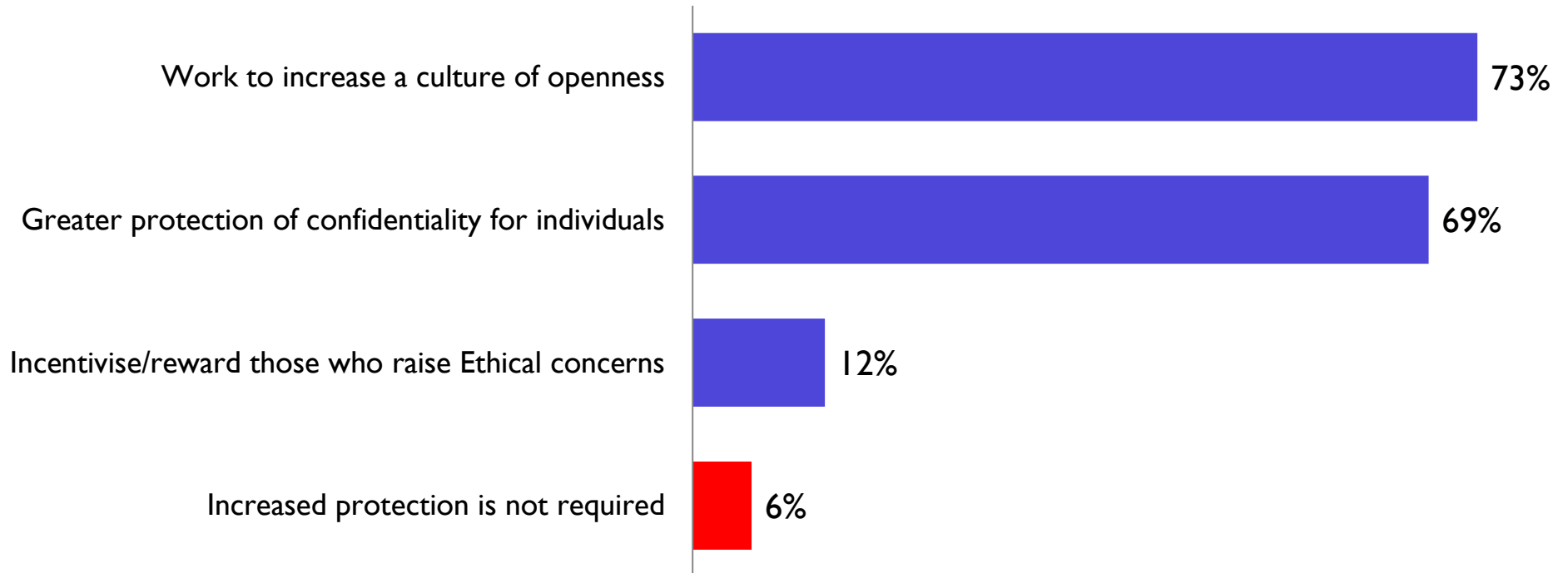
Which of the following applies to why there is inadequate support for those who raise Ethical concerns?





Support for those raising concerns

What more could be done to provide increased protection for individuals who choose to raise Ethical concerns?





Ethical Leadership Survey 2024

**Any
questions?**

A thick, black, horizontal brushstroke underline that spans the width of the text above it.

Further information and guidance



ICAS website: **[icas.com/professional-resources](https://www.icas.com/professional-resources)**

Technical Helpdesk: **Contact us on [icas.com](https://www.icas.com)**

Twitter: **@ICASaccounting**

LinkedIn: **ICAS – The Professional Body of CAs**

What's coming up



Online	
21 November	Autumn Tax Update Part One: Owner managed businesses and employment taxes
26 November	Autumn Tax Update Part Two: General tax update
19 & 20 November	CA Summit 2024

**Register at
[icas.com/
events](https://www.icas.com/events)**

