

THE POWER
OF ONE



Moral Courage

Third edition: November 2025





THE POWER OF ONE

The Power of One calls on all CAs to place ethical leadership at the heart of their professional responsibilities, to shape the culture and values of their organisations, to help re-establish ethics at the core of business practices and to rebuild public trust in business.

In turn, ICAS is committed to providing new resources and support for members on ethics. Since 2015, ICAS has published a series of publications, guidance and resources as part of The Power of One initiative.

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Executive Summary

- Chartered Accountants (CAs) are encouraged to champion the ICAS ethical values and lead in instilling these within the organisations in which they work. However, in many situations, 'doing the right thing' will not be easy and CAs will need 'moral courage' to ensure the highest standards of ethical behaviour are upheld.
- Since November 2017, the need for Chartered Accountants to have 'courage to act morally' has been highlighted in the ICAS Code of Ethics. ICAS adopted 'moral courage' as an 'enabler' – an underpinning qualitative characteristic required of a professional accountant – in order to ensure compliance with the fundamental principles.
- If CAs live the ICAS ethical values, using them not only to guide their own actions every day, but also using them to inspire others' behaviour, they can be influential, regardless of their role within an organisation. It may be easier for members in more senior roles to be able to exert a greater influence within an organisation. However, no matter what a CA's role may be, when they recognise there is an ethical issue they can seek to influence those around them.



Introduction

A Chartered Accountant has a personal responsibility to uphold the fundamental ethics principles at the heart of their professional qualification. Individual CAs have a responsibility to themselves, society and their profession to demonstrate the highest behavioural standards, and need the moral courage to do so.

Courage to act morally

In the ICAS research report **What do you do now? Ethical issues encountered by Chartered Accountants**, Dr David Molyneaux said that 'courage' is not usually a term associated with the accountancy profession. He noted: 'Lord Moran in his study, the Anatomy of Courage, which drew on his extensive personal observations during both world wars of persons of every rank (from private to Prime Minister), defined fear as "the response of the instinct of self-preservation to danger". "Courage" is the "willpower" to cope with that instinctive reaction.'ⁱ

CAs occupy vital roles within various differing types of organisation and are held in high regard across the globe.

CAs could find themselves having to deal with a range of ethical challenges throughout their career from those such as conflicts of interest, pressure to provide or accept misleading or false information, accounting irregularities, and fraud/theft to behavioural issues including workforce/employee issues, bullying, discrimination, and non-work related personal behaviour issues.

Many CAs will be in roles such as CFO, finance director, financial controller, audit committee chair

or audit partner where difficult professional decisions have to be made on a daily basis. Such decisions can be subject to inappropriate influence from others within the organisation who may have an agenda that favours, for example, reporting better financial results than the company has actually achieved. Such influences are likely to weigh heavily when year-end results, related bonuses and share awards are being determined or exercised. In other cases, an agenda might be furthered by seeking to influence the markets through, for example, reporting smoother profits over a period of time.

These pressures are not new, but continue to be faced by individuals in their daily lives. Their impact cannot be understated and the consequences of an inappropriate decision can be potentially ruinous for not only the individual, but also their organisation.

In addition, in today's world, the rise in the importance of sustainability has driven new and different requirements for the accountancy profession. The role of the CA is broadening to include greater focus on non-financial information and with that could come pressure on CAs to facilitate greenwashing and other unethical behaviour in relation to sustainability disclosures.

Rapid advancements in technology are also creating new opportunities for organisations, but they come with risks. AI tools must be governed appropriately and there needs to be accountability for the actions that are taken. Robust and effective controls need to be established, including data security controls, and AI systems need to be reliable, fair, and unbiased. There is a need for judgement and scepticism around the decisions that are being made by the AI to guard against bias or misleading information. Whilst there is an increase in complexity as a result of AI, the ethical principles that guide us remain the same, and this should be front of mind for CAs when using these new systems. Ethics in AI is fundamental, and CAs have a key role to play, drawing upon the skills and fundamental ethics principles of their profession to assist their organisation with these new challenges.

For CAs, 'moral courage' is required in order to counter their 'fears' – the reputational fears, the livelihood fears, the fear of retaliation. Without moral courage, the pressures that CAs face can lead to individuals compromising the fundamental ethical principles of their profession. CAs need to lead and must champion the ICAS ethical values.

The five fundamental principles within the ICAS Code of Ethics – integrity; objectivity; professional competence and due care; confidentiality and professional behaviour – are the ethical foundations of a CA's career.

However, in many situations, 'doing the right thing' may not be easy – it might be that the CA is the only member of the Board who believes that a certain course of action is the only acceptable direction for the company to take. Such matters are highlighted in ICAS ethics case studies.ⁱⁱ

Since November 2017, the need for Chartered Accountants to have 'courage to act morally' has been highlighted in the ICAS Code of Ethics,ⁱⁱⁱ with ICAS adopting 'moral courage' as an 'enabler' – an underpinning qualitative characteristic required of a professional accountant.

110.2 A0 Moral courage

In order to ensure compliance with the fundamental principles, an underpinning qualitative characteristic required of the professional accountant is the 'courage' to act morally. 'Courage' for the professional accountant is the need to act in accordance with the fundamental principles, especially in situations where there is a risk of suffering adverse personal consequences.

There is a need for the professional accountant to confront ethical dilemmas with courage. When facing an ethical dilemma, the professional accountant needs to have the courage to acknowledge the dilemma, to make a reasoned judgement as to the ethical action required to resolve the dilemma, and then to act accordingly.

The ICAS Code of Ethics is substantively based on the International Ethics Standards Board for Accountants (IESBA) Code of Ethics. From January 2022, following an IESBA project to promote the role and mindset expected of professional accountants, new application material was added to the 'Integrity' principle within the Code of Ethics which contains the substance of the concept of 'moral courage' emphasising that integrity includes having the strength of character to act appropriately when faced with challenging circumstances. ICAS views this as reinforcing the message of moral courage and has retained moral courage as an enabler which works together with the IESBA enhancements to the fundamental principle of integrity.

Having the Courage of Your Convictions

As discussed in the ICAS research **Speak up? Listen Up? Whistleblow?**^{iv}, whistleblowing/‘speak up’ mechanisms within organisations are vitally important – encouraging and empowering individuals to have the confidence to promote good behaviour, influence others, and ‘speak up’ if they encounter ethical issues. If a problem is left to fester, the potential harm that could be caused increases and could lead to reputational ruin for an organisation. Speaking up allows issues to be dealt with at the earliest opportunity before they escalate.

Listening is also important, and needs to lead to action. It can often be difficult for people to speak up and there can be a fear of organisational inaction. If someone speaks up but nobody listens, then the speaking up will not be effective. There is therefore a need for managers to ‘listen up’ – concerns need to be listened to and then action taken to investigate the issue. Sometimes an investigation will show that there are no issues, sometimes people will be mistaken, but there is a need to know that matters will be investigated so that issues of concern do come to light. This is discussed further in the ICAS publication **Organisational culture: The importance of listening**^v.

So what can you do if you become aware of an issue that causes you concern? How can you seek to influence events? No matter where you are in the organisational hierarchy, always remember that you are a CA: you have a duty not only to yourself

but also to your profession and the wider public, to ensure that you act to uphold the highest of ethical standards. As a professional accountant, there are also specific obligations in the Code if you encounter actual or suspected ‘Non-Compliance with Laws and Regulations (NOCLAR)’.

Do not tackle an issue alone. Speak to a trusted colleague or friend, or use your professional network to discuss issues confidentially with another CA. Consider carefully how to raise an issue for maximum effect – think carefully in advance rather than speaking in the heat of the moment. If concerns are about the conduct or behaviours of an immediate superior, raise the issue with more than one person, so that it minimises the possibility that the issue could be suppressed. If you have concerns, you have the full power of your profession on your side – have the confidence, the moral courage, to elevate and share them. Similarly, if someone brings their concerns to you, show appreciation to them, listen properly when they speak and then act upon what has been heard by investigating the issue promptly. Follow any established internal ‘speak up’ or whistleblowing policies and procedures within your organisation; speak to your line manager, or possibly your fellow CAs in your organisation, or your Board of Directors, or seek help from ICAS itself. Always keep an evidence trail of conversations, emails and documents. Keeping a diary of meetings and noting down a summary immediately afterwards can be helpful.

ICAS offers the following ethics resources^{vi}:

- publications and guidance^{vii};
- research^{viii}, and
- case studies^{ix}, including CAs' real-life ethical dilemmas featured within the ICAS **Speak up? Listen Up? Whistleblow?**^x research.

The ICAS ethics helpline service^{xi} also provides guidance if you require support when ethical issues arise in practice, and ICAS is also partnered with whistleblowing charity Protect to provide members and students with access to an independent, confidential helpline^{xii}. This service offers free advice regarding whistleblowing and speaking up. ICAS also offers an Ethics Buddy Service^{xiii} which enables a CA with an ethical dilemma, where deemed appropriate, to have confidential, informal, discussions with an experienced ICAS Member in order to explore their issue and assist them in considering how they might approach their dilemma.

Ultimately, you need to choose whatever means you feel most appropriate to help you, depending upon your particular circumstances.

Michael Woodford, the former CEO of Olympus, is an example of a business person who gained his reputation for demonstrating ethical leadership and moral courage when he exposed the financial irregularities at Olympus in 2011, a corporate scandal referred to by The Wall Street Journal as “one of the biggest and longest-running loss-hiding arrangements in Japanese corporate history”^{xiv}. Speaking at an ICAS event he said: “If you know something is wrong and you choose to do nothing, you become complicit. People think that rather than confront the issue, you can walk away, but that’s not the case if you are a senior officer of a corporation.” If you adopt an ‘ignorance is bliss’ approach in all likelihood this will come back to haunt you.

Clearly, the higher up in an organisation a person is, the easier it may be for them to influence the organisation; but, no matter what your role is in the organisation, the key is that when you recognise there is an issue, seek to ensure your voice of concern is heard.

Conclusion

The CA is a mark of distinction – it is a qualification which has been respected since 1854. It is paramount that CAs lead by example and uphold the highest personal ethical standards. As well as being consistent with the ICAS fundamental ethics principles, acting in this way, and being seen to so act, will influence positively the organisations in which CAs work and which they serve. The confidence and moral courage to act ethically, and to challenge apparent unethical behaviour, should be a CA's hallmark – a hallmark which also highlights The Power of One.

This is not to underestimate how difficult it might be to make even 'small steps' – ethical leadership and moral courage will always be required in order to influence change. And clearly sometimes small steps will not be enough – the circumstances faced by Michael Woodford at Olympus come to mind. But, nevertheless, the key is for you at all times to 'walk the talk' and to live the individual values expected of a Chartered Accountant.

Endnotes

- i <https://www.icas.com/news-insights-events/documents/ethical-issues-encountered-by-chartered-accountants-2008> (accessed 24 October 2025) What do you do now? Ethical issues encountered by Chartered Accountants, Dr David Molyneux, Full Research Report, First published by ICAS in 2008, page 193, third paragraph
- ii <https://www.icas.com/regulation-technical-resources/regulation/ethics/ethics-case-studies> (accessed 24 October 2025)
- iii <https://www.icas.com/regulation-technical-resources/regulation/ethics/icas-code-of-ethics> (accessed 24 October 2025)
- iv <https://www.icas.com/regulation-technical-resources/regulation/ethics/speak-up-listen-up-whistleblow-in-their-own-words-insights-into-the-ethical-dilemmas-of-icas-members>, (accessed 24 October 2025), “Speak up? Listen up? Whistleblow? A survey of ICAS members”, Paisey, C, Paisey NJ and Tsalavoutas, I (2019) and “Speak up? Listen up? Whistleblow? In their own words – Insights into the ethical dilemmas of ICAS members”, Paisey C (2019)
- v <https://www.icas.com/regulation-technical-resources/regulation/ethics/organisational-culture-the-importance-of-listening>, (accessed 24 October 2025), Organisational culture: The Importance of Listening, ICAS.
- vi <https://www.icas.com/regulation-technical-resources/documents/ethics-and-the-power-of-one> (accessed 24 October 2025), ICAS “Ethics and The Power of One”
- vii <https://www.icas.com/regulation-technical-resources/regulation/ethics/the-power-of-one-publications> (accessed 24 October 2025)
- viii <https://www.icas.com/news-insights-events/insights/icas-research/icas-research-publications> (accessed 24 October 2025)
- ix <https://www.icas.com/regulation-technical-resources/regulation/ethics/ethics-case-studies> (accessed 24 October 2025)
- x <https://www.icas.com/regulation-technical-resources/regulation/ethics/speak-up-listen-up-whistleblow-in-their-own-words-insights-into-the-ethical-dilemmas-of-icas-members> (accessed 24 October 2025), “Speak up? Listen up? Whistleblow? A survey of ICAS members”, Paisey, C, Paisey NJ and Tsalavoutas, I (2019) and “Speak up? Listen up? Whistleblow? In their own words – Insights into the ethical dilemmas of ICAS members”, Paisey C (2019)
- xi <https://www.icas.com/regulation-technical-resources/regulation/ethics/icas-ethics-helpline-service> (accessed 24 October 2025)
- xii <https://www.icas.com/news-insights-events/news/ethics/protect-helpline-independent-whistleblowing-advice-for-chartered-accountants> (accessed 24 October 2025)
- xii <https://www.icas.com/regulation-technical-resources/regulation/ethics/ethics-buddy-service> (accessed 24 October 2025)
- xiv <https://www.wsj.com/articles/SB10001424052970204190704577024680506345936> The Wall Street Journal “Olympus Admits to Hiding Losses”, on-line (accessed 24 October 2025)

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Published November 2025

© 2025

ISBN: 978-1-909883-89-5

EAN: 9781909883895

First published November 2015

Second edition November 2020

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