

# Personal Responsibility and Ethical Leadership

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## **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) have an important role to play in promoting ethical behaviour.
- A CA is more than just a professional qualification; it is a career for life – and the rewards and recognition that flow from this bring with them responsibilities.
- Each individual CA has to take personal responsibility for the maintenance of the highest standards of ethical behaviour throughout their career and must also be cognisant of the fundamental requirement of the accountancy profession to act in the public interest.
- CAs need to take the lead in relation to their own actions and challenge others when challenge is necessary. Every CA must comply with the ICAS Code of Ethics in order to meet the ethical obligations of their profession and is encouraged to take a leadership role in instilling those values in the organisations in which they work.



# Introduction – A Proud History

ICAS began in 1854 with just a group of eight individuals forming the Society of Accountants in Edinburgh, guided by its motto “Quaere Verum” – Seek the Truth. There are now over 24,000 Chartered Accountants in more than 80 countries worldwide.

To be a Chartered Accountant, or CA, is more than just a professional qualification – it is a ‘career’ for life. The ICAS Code of Ethics states:

**Professional accountants have a responsibility to take into consideration the public interest... and to maintain the reputation of the accountancy profession. Personal self-interest must not prevail over those duties.<sup>1</sup>**

This extract highlights the role of the individual – the ‘personal’ responsibility that every CA must take in order to live by the ethical principles of ICAS throughout their career.

Ethics is the conscience of organisations, it is at the core of driving behaviours, and is the key to long-term thinking and trust. The obligation is placed upon each and every CA to take individual responsibility to live up to the highest standards of ethical behaviour throughout their career – safeguarding not only their own reputation, but also that of their organisation and their profession, to the benefit of the public in general.

# A Career for Life

One's career as a CA can be divided into a number of segments, just as life can be broken down into a number of different stages. Key segments are training, post qualification, climbing the career ladder, acting for clients or an employer, giving the benefit of accumulated knowledge back to society, and retirement. In all of these stages, which each of us can individually define, learning continues to a greater or lesser extent and all stages will have an impact on the individual CA, and the perception of the CA in the wider community.

The mentoring opportunities at ICAS are a case in point<sup>ii</sup>. ICAS facilitates a member-initiated career mentoring scheme and also mentoring for the ICAS Foundation. They have been created to assist students and CAs in their personal and professional development. Mentoring can give younger members the chance to connect with those who have already gone through what they are now experiencing. Mentoring for the ICAS Foundation offers undergraduate students at the start of their journey the opportunity to connect with and learn from an inspirational professional. Mentoring also gives experienced members the opportunity to 'give back' and share their knowledge with those at an earlier stage in their CA journey.

A CA is more than just a qualification, it is a career for life, and the rewards and recognition that flow from this bring with them responsibilities. The 'CA' is not just an individual qualification or badge of honour. The 'CA' designation is internationally recognised and respected – it is, in itself, a very precious and valuable brand. Every individual CA should serve as a role model for ethical behaviour – setting a positive example for others to follow. Ethical leadership has been core to ICAS since 1854. The CAs of today, and tomorrow, have a collective responsibility for the preservation and betterment of the CA brand and all that it stands for.

# Ethical Obligations

ICAS members have to comply with the five fundamental principles enshrined in the ICAS Code of Ethics<sup>iii</sup> (which is substantively based on the Code of Ethics published by the International Ethics Standards Board for Accountants (IESBA)). These are defined as follows:

- a. **Integrity** – to be straightforward and honest in all professional and business relationships.
- 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.
- c. **Professional competence and due care** – to:
  - i. Attain and maintain professional knowledge and skill at the level required to ensure that a client or employing organisation receives competent professional service, based on current technical and professional standards and relevant legislation; and
  - ii. Act diligently and in accordance with applicable technical and professional standards.
- d. **Confidentiality** – to respect the confidentiality of information acquired as a result of professional and business relationships.
- e. **Professional behaviour** – to:
  - i. Comply with relevant laws and regulations;
  - ii. Behave in a manner consistent with the profession's responsibility to act in the public interest in all professional activities and business relationships; and
  - iii. Avoid any conduct that the professional accountant knows or should know might discredit the profession.

In order to ensure compliance with the fundamental principles, ICAS has also adopted 'moral courage' as an 'enabler' – an underpinning qualitative characteristic required of a professional accountant. Since 2017, the need for Chartered Accountants to have 'courage to act morally' has been highlighted in the ICAS Code of Ethics:

## 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.

In addition, from January 2022, following an IESBA project to promote the role and mindset expected of professional accountants, 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. ICAS has retained moral courage as an enabler and this works together with the IESBA enhancements to the fundamental principle of integrity.

CAs must also be cognisant of the obligation to act in the public interest. Newly accepted members commit themselves to doing so by means of an ethical declaration at the ICAS Admission Ceremony (Appendix 1).



# Ethics and the profession

The term 'profession' or 'professional' appears in the description of every principle – but what does the term actually mean in terms of the Code of Ethics? Colloquially, CAs working in the 'profession' work in accountancy practices, distinct from those working in other sectors. But the term 'profession' in terms of the Code of Ethics is much broader – it is applicable to all professional accountants – it is at the heart of what being a Chartered Accountant is all about. A literature review written by Ken McPhail for ICAS, **Ethics and the Individual Professional Accountant**,<sup>iv</sup> concluded that some of the main characteristics of a profession and professional were the following:

- The public interest
- Knowledge base (education and training)
- Independence
- Code of professional ethics

Ethics and the characteristics of a profession, or being a professional, are therefore inextricably linked. In fact, McPhail quotes one writer (Abbott, 1983) as saying: "You can't be a profession without having professional ethics".<sup>v</sup> Indeed, one could put this quote another way – you can't be a professional without having professional ethics. Ethics is truly at the core of being a Chartered Accountant.

The ICAS 'Shaping the Profession'<sup>vi</sup> initiative, launched in 2023, is seeking to define what the accountancy profession of tomorrow should look like to support the changing needs of society, and continue delivering in the public interest.

# The Importance of Personal Responsibility

CAs can be found in all walks of life and must take personal responsibility for the important role they have to play. A CA's personal values and behaviour will be influenced by peers and also by the cultures of the organisations for which they work. But, while colleagues, friends, and employers may come and go, ICAS remains and a CA will always have a personal responsibility to consistently uphold the core ethical principles at the heart of their professional qualification. A CA has a duty to live by the ICAS fundamental ethical values – ethics should be a habit ingrained into their daily lives. CAs must also have the moral courage to exert ethical leadership when changes in an organisation need to happen, or when inappropriate behaviour by others needs to be revealed or stopped. Clearly, the more senior the CA is in an organisation, the easier it will be to influence change, but every CA has their part to play.

In many scandals the wrongdoing has been committed by certain individuals within the organisation, often encouraged by the culture and incentives operating within that organisation. The importance of personal responsibility of the individual cannot therefore be understated, especially where the culture and incentives might encourage an unethical course of action. A CA needs to maintain an ethical approach even when pressured to do otherwise.

A distinguished career can easily be shattered by acting inappropriately or by failing to seek to prevent others from acting inappropriately. The impact on the individual of such a scenario can be catastrophic. The aim therefore has to be to seek to ensure that such a situation never arises. This obviously involves the person themselves ensuring that they behave appropriately at all times, but also that they seek to influence the behaviour of others where possible. ICAS, as the collective body for individual members, also has a key role in supporting and regulating its members in meeting these responsibilities.

# Every CA should see themselves as a leader

CAs have a world-recognised qualification that should provide them with the confidence to guide and influence others in both financial and ethical matters, and also nowadays in the rapidly evolving areas of sustainability and technology, including AI. It should also, most importantly, give them the knowledge, confidence, and courage to challenge where appropriate i.e. is this the 'right' way to do things? If we all adopt this approach then there should be associated long-lasting ethical and reputational benefits to an organisation. Whilst there is a need to establish an appropriate 'tone at the top', it is equally important for this tone to be cascaded down through the rest of the organisation and embraced by all those who work in the organisation.

The concept that everyone can 'take a lead' is true in many respects. Leadership in ethical matters does not only relate to those at the top of an organisation. Every CA should see themselves as a leader, regardless of whether they are just starting in their career or have many years of post-qualification experience.

Indeed, the ICAS Code of Ethics<sup>vii</sup> specifically states:

“Professional accountants are expected to: (a) Encourage and promote an ethics-based culture in their organisation, taking into account their position and seniority; and (b) Exhibit ethical behaviour in dealings with individuals with whom, and entities with which, the accountants, the firm or the employing organisation has a professional or business relationship.”

Robust challenge must be seen as healthy and positive in relation to organisational culture. As discussed in the ICAS research **Speak up? Listen Up? Whistleblow?**<sup>viii</sup>, whistleblowing/'speak up' mechanisms within organisations are vitally important – empowering and supporting individuals to have the confidence to promote good behaviour, influence others, and 'speak up' if they encounter ethical issues, without fear of retaliation. Speaking up allows issues to be dealt with at the earliest opportunity before they escalate. People need to take the lead and be able to speak their mind, within reason, for the good of the organisation. 'Challenge' should not be resented. The importance of listening also needs to be emphasised. If someone speaks up but nobody listens, then the speaking up will not be effective and the organisation will suffer.

Such a task may be easier for individuals who are in senior management roles as they are able to exert greater influence on how an organisation is run and how it interacts with the outside world. However, those in all areas within an organisation have the ability to influence all of those with whom they interrelate.

# The changing landscape – rising to the challenge

In today's world, wider stakeholder interest in the impact of entities on the environment, economy, communities, and society also needs to be recognised. Organisations need to be looking to the future and thinking long term about the ongoing sustainability of their organisation, and the impact of their organisation on the environment and society.

CAs are a vital part of any organisation in which they are employed or by whom they are contracted, and 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 CAs need to be better communicators of data to a broader set of stakeholders. A CA could find themselves being involved in sustainability related matters in many ways including in accounting for, and reporting on, climate change and environmental considerations; or assessing and managing the risk and opportunities; or providing assurance on an organisation's sustainability report. Every CA will have their part to play in their own sphere of work around ethics and sustainability, and will still have responsibility to apply the same ethical principles in this changing world.

Legislation, in relation to modern slavery, is also increasingly becoming stricter around the globe including the US and EU prohibiting products made with forced labour from their markets, which businesses need to be prepared for. With modern slavery, there are invariably links with organised crime and CAs therefore need to be cognisant of their responsibilities under anti-money laundering

and related legislation. As discussed in ICAS' guidance **Modern slavery – what CAs need to know**<sup>ix</sup>, organisations need to know where there might be forced labour in their supply chains, and have a clear strategy for ensuring compliance with the law and tackling any issues, as there could be significant financial and custodial penalties, as well as reputational damage, for breaches going forward.

In 2021, ICAS added provisions to its Code of Ethics to highlight the importance of CAs respecting values of equality, diversity and inclusion (EDI). The adoption, promotion and embedding of a culture of fairness, including respect for values of equality, diversity and inclusion, is an important element of an effective ethical culture within an organisation. In addition, the 2026 ICAS Code of Ethics will include the following paragraph (developed by the Institute of Chartered Accountants in England and Wales) in relation to the professional behaviour principle to strengthen members' understanding of the importance of ethical conduct in their professional lives:

**“115.1 A2 A reasonable and informed third party would expect that a professional accountant, in their professional life, treats others fairly, with respect and dignity and, for example, does not bully, harass, victimise, or unfairly discriminate against others.”**

These additions do not represent a change in the substance of the Code but highlight that upholding these values is in the spirit of what it means to be a member of ICAS.

Rapid technological advancements are also creating new opportunities, but likewise risks, for organisations. Organisations must take responsibility for the technology that they use, including AI. AI systems need to be appropriately governed and controlled; be reliable, fair and unbiased; and appropriate data security controls should be in place. There is a need for judgement and scepticism around the decisions that are being made by the AI, and accountability for the actions that are taken; and there is also a need for organisations and leaders to ensure that the public interest and societal implications remain at the forefront of decisions that are made. 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.

Organisations need to be prepared to be able to deal with these new technologies from the outset. The rise of AI brings greater complexity in addressing new ethical dilemmas such as data usage, security and confidentiality concerns, and the potential for bias and misinformation. Failure to manage new technologies appropriately could lead to reputational damage and the loss of trust of stakeholders. The fundamental ethics principles are echoed in the foundation of good ethical leadership in relation to AI. CAs, with their ethical mindset, have an important role to play in being the conscience of organisations, assisting their organisations to navigate this fast-moving landscape.

From 1 January 2025, the ICAS Code of Ethics has included the International Ethics Standard Board for Accountants' technology related changes to the Code. These revisions include changes to the fundamental principle of confidentiality and provisions in relation to using the output from technology.

CAs also need to be conscious that the fundamental ethics principles apply in both their professional and personal capacities, including when social media is used in a strictly personal capacity. Social media users should be mindful of the impact their activities might have on not only their own personal reputations but also on the perceptions of ICAS or the accountancy profession in general.

## Re-emphasise what 'CA' stands for

How we as CAs are perceived by our peers and the public at large is defined by what we do, how we do it, and how we treat other people. We must emphasise our ethics and values and remember that each individual should seek to set an example that our peers would be proud to be associated with. How we are perceived is very important – it helps define the standing of the CA brand, it helps define the habits and behaviour of those CAs we are involved with, and finally – and most importantly – it should and will have a bearing on the wider sectors and community we interact with on a daily basis.

The term Chartered Accountant, or CA, still has the same resonance as was envisioned over 170 years ago. The power of the individual – 'The Power of One' – cannot be underestimated. It is a mark of professional distinction. May all members take up this leadership challenge.

# Appendix 1

## **New Members – Ethical Declaration**

The ICAS ethical declaration was introduced in 2012 for newly qualified members attending the Annual Admission Ceremony. The wording was determined by the Ethics Committee and members of the ICAS executive and staff. 'Courage' was added to the ethical declaration in 2017 on the recommendation of the ICAS Ethics Board.

**I declare that I will conduct myself in a manner that maintains and enhances my own professional reputation, that of my fellow members and ICAS.**

**As a CA, I commit myself to acting in the public interest and will conduct myself with integrity, objectivity and courage, and in accordance with the high ethical standards of ICAS.**

New CA members attending the Admission Ceremony are asked to stand and recite this commitment.

# Endnotes

- i <https://www.icas.com/regulation-technical-resources/regulation/ethics/icas-code-of-ethics> (accessed 24 October 2025) ICAS 2025 Code of Ethics, page 3, paragraph 1.2
- ii <https://www.icas.com/members-membership/get-involved/mentoring> (accessed 24 October 2025)
- iii <https://www.icas.com/regulation-technical-resources/regulation/ethics/icas-code-of-ethics> (accessed 24 October 2025) ICAS 2025 Code of Ethics, page 17, paragraph 110.1 A1
- iv <https://icas-com.uksouth01.umbraco.io/media/q4kd4p0b/icas-ethics-and-the-individual-professional-accountant-mcphail-2006.pdf> (accessed 24 October 2025) Ethics and the Individual Professional Accountant: A Literature Review, Ken McPhail, first published by ICAS 2006, Figure 2.1, page 42
- v <https://icas-com.uksouth01.umbraco.io/media/q4kd4p0b/icas-ethics-and-the-individual-professional-accountant-mcphail-2006.pdf> (accessed 31 March 2025) Ethics and the Individual Professional Accountant: A Literature Review, Ken McPhail, first published by ICAS 2006, page 48, last paragraph
- vi <https://www.icas.com/news-insights-events/insights/icas-research/shaping-the-profession> (accessed 24 October 2025) ICAS Shaping the Profession
- vii <https://www.icas.com/regulation-technical-resources/regulation/ethics/icas-code-of-ethics> (accessed 24 October 2025) ICAS 2025 Code of Ethics, page 28, paragraph 120.13 A3.
- viii <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)
- ix <https://www.icas.com/news-insights-events/news/ethics/modern-slavery-what-cas-need-to-know> (accessed 24 October 2025), “Modern slavery – What CAs need to know”(October 2024), ICAS.



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