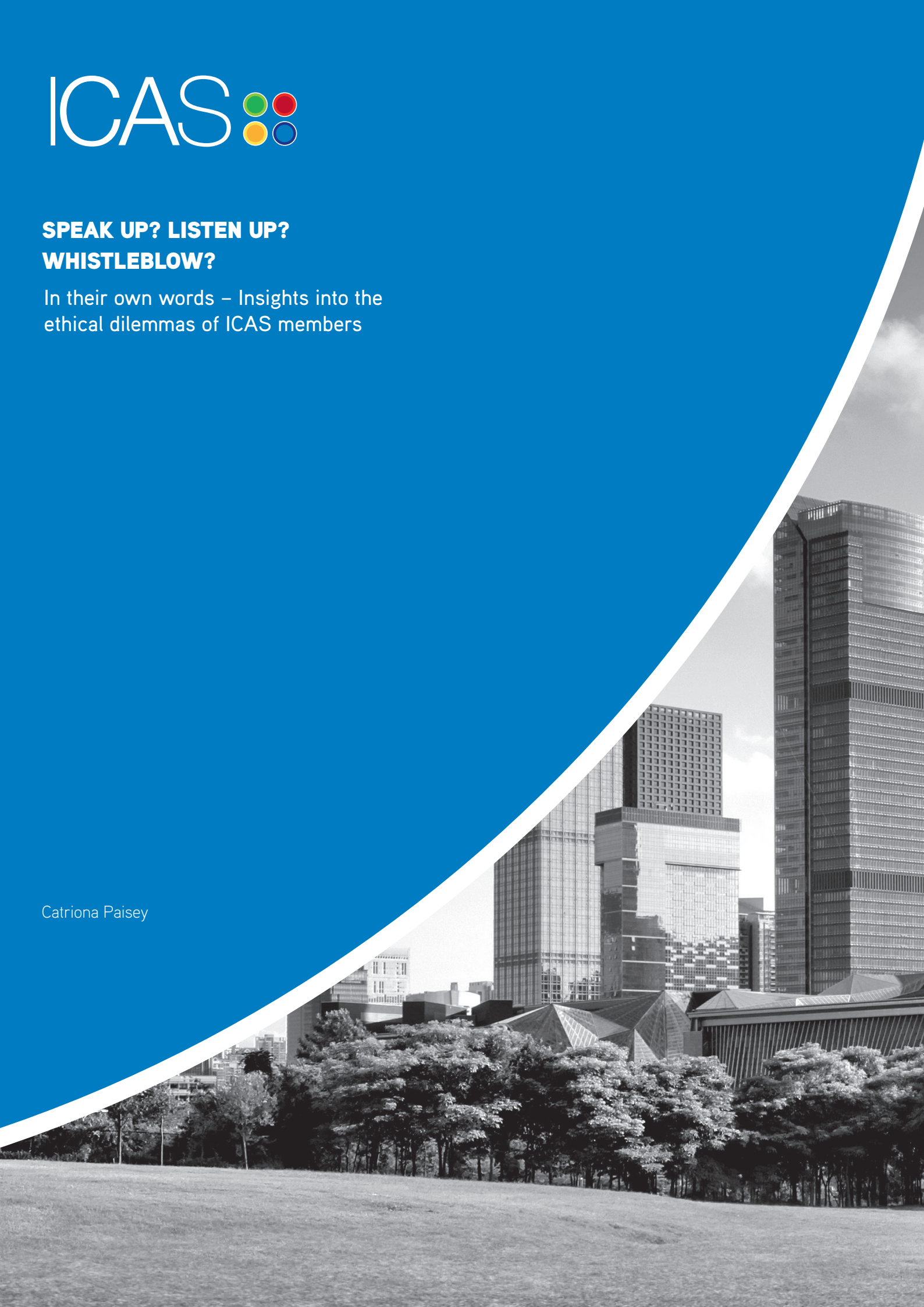




**SPEAK UP? LISTEN UP?
WHISTLEBLOW?**

In their own words – Insights into the ethical dilemmas of ICAS members

Catriona Paisey



First published 2019



©2019

ISBN: 978-1-909883-55-0

EAN: 9781909883550

This report is published for the Research Panel of ICAS.

The views expressed in this report are those of the authors and do not necessarily represent the views of the Council of ICAS or the Research Panel.

No responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication can be accepted by the authors or publisher.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopy, recording or otherwise, without prior permission of the publisher.

TABLE OF CONTENTS

Acknowledgements.....	6
Foreword.....	7
Executive summary.....	9
1. Introduction.....	17
2. Background.....	21
2.1 Trust in business	21
2.2 Dilemmas encountered by ICAS members.....	21
2.3 How ICAS members respond to ethical dilemmas.....	22
Speak up.....	22
Listen up.....	23
Whistleblow	24
2.4 The importance of context	25
2.5 Factors that help or hinder when addressing dilemmas	26
2.6 The role of ICAS	26
3. Research approach	28
3.1 Research method and protocols	28
3.2 Interviewees	29
4. Dilemmas encountered	32
4.1 Identifying an ethical dilemma	32
4.2 The inevitability of encountering an ethical dilemma	32
4.3 Formative experiences	33
4.4 Technical issues	35
Cash flow problems and breach of bank covenants	36
Revenue recognition	36
Over invoicing	37
Inventory valuation	37
Supplier relationships.....	38
Disclosure issues	38
Tax issues	38
Other issues	40

4.5	Behavioural issues	40
	Pressures from clients	41
	Pressures from senior managers	41
	Bullying	43
	Work pressures.....	44
	International and cultural differences.....	45
5.	Actions.....	46
5.1	Speak up	46
	Meaning and nature of speak up.....	46
	Consequences of speaking up.....	47
	Positive aspects	49
	Resilience and confidence	50
	Anonymity	51
	The accountant’s role in the investigation	52
5.2	Listen up	53
	Positive experiences	53
	Negative experiences	54
	The value of listening	55
5.3	Whistleblow	56
6.	Context matters	58
6.1	Professional practice	58
	The views of ethics partners and directors.....	58
	Working at the Big Four and other large firms.....	61
	Working at mid-tier firms and firms with several partners.....	63
	Working as a sole practitioner and at small practices with two or three partners.....	64
6.2	Industry and commerce	65
	Large companies.....	65
	Small and medium-sized firms.....	67
6.3	Not for profit	69

7. Factors that help and hinder.....	71
7.1 Leadership style.....	71
7.2 Networks and mentors.....	72
7.3 Age and stage.....	73
7.4 Isolation	74
7.5 Family relationships	75
7.6 Transparency	76
7.7 Due diligence	76
7.8 Collecting evidence	76
8. The role of the profession	78
8.1 Being a professional accountant	78
8.2 A more radical approach?.....	78
8.3 Experiences of contacting ICAS for ethics advice.....	79
8.4 Should ICAS establish an ethics mentoring scheme?.....	80
8.5 Case study and real life examples.....	83
9. Conclusions and policy implications	84
9.1 Conclusions	84
9.2 Recommendations	88
For all organisations including accountancy firms.....	88
For accountancy firms specifically.....	88
For ICAS.....	89
9.3 Limitations and opportunities for further research	90
About the author	91
References	92

ACKNOWLEDGEMENTS

I would like to thank ICAS for providing the funding for this project. I am grateful to the ICAS Ethics Board for their valuable suggestions and the Research Panel members for their support and advice throughout the duration of the project. In particular, I would like to thank Nick Paisey, Yannis Tsalavoutas and the anonymous reviewers who read previous versions of this report and made helpful suggestions. Thanks too, to Lee Parker for our discussions and his wise counsel on the analysis of interview data. I am indebted to the following ICAS staff for all their assistance throughout this project: Marie Gardner (Head of Research), James Barbour (Director, Policy Leadership) and Ann Buttery (Head of Ethics, Policy Leadership). Special thanks are due to Donna McKendrick, Jessica McKinley and Aimee Reilly, without whose transcriptions my task would have been very much harder. Finally, and most of all, I would like to record my appreciation to all those members of ICAS and others who shared their stories and provided valuable insights into the ethical dilemmas faced by ICAS members. Although some of their stories were extremely harrowing, it was a privilege to speak with so many interesting people and I hope I have done their stories justice.

FOREWORD

Major whistleblowing stories are never far away from front page news, and although cases such as WikiLeaks, Panama papers and Cambridge Analytica are infamous, the way these first came to light and what ensued for those who dared to speak up is seldom recognised. The price for speaking out can be dire – intimidation, harassment and bullying, blighted career prospects and financial ruin.

More recently yet, a June 2019 report from the All Party Parliamentary Group (APPG) for Whistleblowing¹ - formed with the stated objectives to *'provide stronger protection for whistleblowers'* and *'not only aiming to change the current legislation but also the culture and perception of whistleblowers'* - calls for an urgent and radical overhaul of whistleblowing law.

As far as the accounting profession is concerned, CAs have become trusted business advisers, over and above solely operating the mechanics of financial management and reporting. As such, they are often privy to, and assessors of, closely guarded information. Most of this information will be legal and legitimate, but some will also indicate fraud and other unethical practices.

When this is the case, as stated by ICAS The Power of One² business ethics initiative, *"individuals, and particularly CAs, should have the confidence to speak out and influence the culture of organisations in which they work."* If raising issues internally is not appropriate, maybe due to the fact that senior management are those perpetrating the fraud, then whistleblowing becomes of the essence.

In this context, this ICAS research publication records the second stage of a two-stage research project funded by ICAS³ - "Speak up? Listen up? Whistleblow?" -, commissioned with the aim of examining how ICAS members respond to ethical dilemmas.

The first stage of the research, documented in the ICAS publication *"Speak up? Listen up? Whistleblow? A Survey of ICAS Members"*, consisted of a review of academic literature on speaking up, listening up, and whistleblowing, ethics and organisational culture, which then formed the basis of a questionnaire survey of ICAS members.

For this second stage, 48 interviews were conducted, primarily with ICAS members but others too to provide a more rounded view, to gain a deeper understanding of interviewees' real-life ethical dilemmas and actions, and in particular their speak up, listen up and whistleblowing responses to those dilemmas.

The research found that a wide range of ethical dilemmas, from technical to behavioural issues, are very likely to be experienced throughout careers, that early experiences influence the approach to subsequent dilemma resolution, and that speaking up is not always easy for individuals or welcomed by organisations. Consequently, recommendations include the need for organisations to emphasise good behavioural expectations and strive to establish a culture that listens to, supports and encourages speaking up; the importance for individuals to develop and maintain a professional network for support; and the need for ICAS to consider how support for members experiencing isolation can be improved.

Together these two publications set out the key findings from the research project and provide recommendations to individuals and organisations for tackling ethical issues based on the 'real life' experiences of ICAS members. They highlight speaking up and listening up as key parts of effective organisational culture and provide advice to individuals to help them deal with ethical dilemmas, and have the potential to take the practical aspects of professional ethics to a new level.

Whilst this research project draws on the experiences of ICAS members, its findings and recommendations are also relevant to the wider community. It is hoped that it will help embolden individuals to speak up if they encounter ethical issues within their organisations, and also help inform about the vital importance of effective speaking up and listening up mechanisms to ensuring a successful organisational culture.

Guy Jubb

Chair of the ICAS Research Panel

September 2019

¹ APPG Whistleblowing (2019) Whistleblowing – The Personal Cost of Doing the Right Thing and the Cost to Society of Ignoring it
https://docs.wixstatic.com/ugd/88d04c_9754e54bc641443db902cd963687cb55.pdf

² ICAS (2017) The Power of One – Organisational culture and values
https://www.icas.com/__data/assets/pdf_file/0004/304339/ICAS-The-Power-of-One-Organisational-culture-Sept-2017-FINAL.pdf

³ Paisey, C, Paisey NJ and Tsalavoutas, I (2019) Speak up? Listen up? Whistleblow? A survey of ICAS members. Paisey C (2019) Speak up? Listen up? Whistleblow? In their own words – Insights into the ethical dilemmas of ICAS members.

Executive Summary

Background and method

Following from a survey of ICAS members (Paisey *et al.*, 2019), this research project investigates in depth the ethical dilemmas and actions of ICAS members in order to gain deeper understanding of the speak up, listen up and whistleblowing responses of ICAS members to ethical dilemmas. In this research, 'speak up' is defined as speaking up internally within an organisation, 'listen up' is defined as being listened to if someone speaks up and 'whistleblowing' is defined as speaking up externally, where information is communicated outside of the organisation, for example to government agencies or the media. In order to address this project's aim, the following research questions have been addressed:

1. What kinds of ethical dilemma situations have interviewees experienced?
2. How did they respond, specifically in terms of speaking up, listening and whistleblowing?
3. How does context affect the above?
4. What factors helped or hindered ICAS members as they sought to address ethical dilemmas?
5. What role does, and could, ICAS play in supporting members as they seek to address ethical dilemmas?
6. What conclusions and policy implications can be drawn from analysis of the interviewees' thoughts and experiences?

48 interviews were conducted. 37 were with ICAS members who were interviewed about their ethical dilemmas. The remaining eleven interviewees were approached directly in order to provide a more rounded understanding of the topic area. Five were partners or directors at Big 4 and other professional firms, four worked in ethics roles at other professional bodies in accounting or closely related financial areas, and two worked in other areas, one at a whistleblowing charity and the other at an organisation that focused on business ethics. Of these eleven, six were professionally qualified accountants.

Findings

Interviewees defined ethical dilemmas in a variety of ways but were united in their belief that ICAS members were very likely to encounter ethical dilemmas throughout their careers. They reported a wide range of ethical dilemmas and had often found that early experiences had been formative, influencing their approach to subsequent dilemma resolution as their careers unfolded.

Prior research has focused primarily on technical dilemmas, and these continue to manifest, with a cluster of dilemmas around aspects of accounting and taxation. However, this research provides new insights into a wide range of serious behavioural dilemmas too. ICAS members have experienced pressures from clients and from senior managers, bullying, work pressures specifically in terms of workload and work-life balance issues, and, in an age of global business, a range of differences in behavioural expectations internationally. It is clear that some ICAS members have found themselves in extremely challenging, stressful, situations where they have been subjected to insidious language, sometimes more serious intimidation and, in some cases, bullying behaviour. Whether increased disclosure of behavioural issues represents a new trend or, rather, a new

willingness to raise such issues is unclear but the message that ICAS members are likely to encounter behavioural as well as technical ethical issues is important and the implications for education and training need to be considered.

When faced with difficult ethical dilemmas, many interviewees had spoken up internally within their organisations, some with positive outcomes, but others having suffered detriment as a result. Speaking up was not always easy, causing stress. Tenacity and resilience were often required. Whilst many instances were recounted of speaking up, some admitted that there were occasions where they had not spoken up, sometimes to their regret. There was general agreement that being able to speak up is an important part of an effective organisational culture, allowing issues to be dealt with at the earliest opportunity before they escalated.

When they had spoken up, some were fortunate to find that they were listened to, but others had less positive experiences. Interviewees were clear in their view that listening had to be followed up by action; a sympathetic ear was ineffective if the listener did nothing. Therefore listening was characterised as both an action in itself and a spur to further action.

While speaking up internally within an organisation was frequently reported, whistleblowing by reporting issues outside of the organisation was less common. In both cases, outcomes varied, with some instances where speaking up and whistleblowing had been welcomed by the organisations concerned but, in line with prior literature, in other cases these actions had been viewed as troublesome.

Interviewees worked across a wide spectrum of career locations, ranging from professional practice to industry and commerce, not-for-profit and other sectors. It was clear that the largest accounting firms already have well-developed ethics policies and procedures but that, at a time of increasing public and governmental scrutiny, policies, procedures and the ethical organisational culture were continuing to evolve. The senior people in the firms who are responsible for ethics policies, and also ICAS members employed at all levels within these firms, shared the opinion that the large firm environment is generally supportive, collaborative and team-based, with the raising of ethical issues being encouraged.

Such a view is not necessarily what the public might expect at the current time, given media attention on audit failures, potential reforms and wider concerns about declining trust in business, but this research has found that both current and former employees of the largest firms generally have a fairly positive view of the working environment and the handling of ethical issues. It is clear that there is now greater emphasis on the reporting of issues, with all firms at a policy level encouraging staff to speak up. Whether all do so is hard to gauge because it is always easier to see actions rather than silences and there remain challenges around the transparency of investigations and outcomes, so this is an area where further evolution is likely.

An area of concern raised by some individuals working in the largest firms was the long-hours culture and pressures due to very tight reporting deadlines. These were raised by these interviewees as ethical concerns who perceived that there was sometimes a gap between rhetoric and reality as regards flexible working and work-life balance issues.

Medium-sized and smaller practices presented a more variable picture. Most firms had a framework of procedures in place, especially in the form of appointees to roles such as Money Laundering Reporting Officer and Compliance Officer. Thus these firms complied with regulatory requirements but, beyond these, ethics policies and practices were less formalised, relying more on the sense of professionalism of individual members of staff. In the smallest practices, feelings of isolation were sometimes experienced, because it was more difficult to find people with whom to discuss ethical dilemmas.

Interviewees who had moved out of professional practice frequently commented that the first move out of the profession could be something of a culture-shock. This is not to suggest that firms outside of public practice are less ethical because some interviewees recounted very positive experiences. However, for some interviewees, their experiences in industry, commerce and the not-for-profit sectors were very challenging. A commonly-expressed view was that, often with hindsight, they missed the supportive, collaborative, team-based environments that they had experienced in professional practice and were therefore more likely to feel isolated.

The style of leadership of immediate line managers was frequently mentioned. Interviewees recognised that sometimes tough decisions need to be taken and that strong leadership can be required but, in general, they felt that more collaborative, consensual, styles of leadership were preferred. Leaders displaying aggressive, erratic, behaviours, who were not approachable and who did not display a willingness to listen, were regarded as problematic. Interviewees also did not like working in blame-cultures but preferred organisations where people were encouraged to speak up at an early stage in an environment in which the key message was that it was better to sort out issues early on rather than allowing them to fester.

Interviewees frequently referred to the value of their professional network and the need for ICAS members to develop and maintain networks that they could use as a sounding-board as required. A number of interviewees had feelings of isolation, which made it more difficult to appraise ethical issues, so these interviewees also often expressed the importance of a solid network even if that is something that they had not themselves fostered.

Age and career stage were important, with interviewees believing that it was more likely that they would encounter issues later in their careers, because of the nature of the roles they held, but also that it became easier to be taken seriously and to challenge issues if they were more experienced, especially if they had financial security behind them in case they lost their jobs.

Working for smaller, family-owned businesses could sometimes be really rewarding but such firms could also pose significant challenges in terms of working relationships and ethical issues. Interviewees who were in geographically remote areas also face similar issues in terms of the interface between business and personal relationships.

Interviewees stressed the importance of researching potential employers carefully before taking on a new job as some, with hindsight, had felt that there were signs that they should have spotted at the recruitment stage but which they missed at the time.

Finally, a commonly expressed view was that, if ICAS members (or indeed any professional - accountant or otherwise) found themselves in difficult ethical situations, then maintaining a good evidence trail of events, conversations, meetings and documents was vital so that they could refer to these if necessary as the dilemma progressed.

Interviewees reported mixed views if they had contacted their professional body for support. There was a commonly-held belief, however, that professional bodies have an important role to play. Part of this is a networking role and part is in being able to access trustworthy advice. Some interviewees believed that ICAS could offer further support, in the form of ethical mentoring and real-life case studies, although they also expressed the view that there would be challenges around both of these. Finally, some interviewees wanted ICAS to be more radical, not only in promoting ethical behaviour among members but also commenting on ethical issues affecting the business world more generally.

Conclusions

Overall, the interviewees showed that ICAS members, as professionals, are likely to come across ethical dilemmas and that, whilst many relate to technical issues, they are also likely to come across behavioural ones too. Their training prepares them to deal with technical challenges, but it is not clear that their training equips them so well for behavioural challenges such as dealing with different leadership styles, bullying and intimidation.

The first move away from the support networks of professional practice can be a shock. Some interviewees were lucky in their career paths but some had found themselves in very difficult organisational cultures. It was not always easy, therefore, to speak up but most interviewees had tried to deal with situations that had occurred by speaking up, though there was no guarantee that they would be listened to if they did so. Although there is no suggestion that these are the norm, there were some very disturbing accounts of serious bullying, retaliation and dysfunctional organisational cultures.

A range of factors appeared to either help or hinder the interviewees when they were addressing dilemmas but this research shows that ICAS members take multiple career paths and, ultimately, there are as many ethical dilemma stories as there are individuals. It is hoped that, by providing insights into the ethical challenges of ICAS members, both accountants themselves and other interested parties can gain a better understanding of what it is like to be a chartered accountant trying to act in an ethical, professional manner.

Key policy recommendations

	Recommendation	Further comments
ORGANISATIONAL CULTURE:	Organisations need to emphasise their behavioural expectations, including zero-tolerance of bullying and similar dysfunctional behaviours.	<i>It can be helpful if responsibility for ethics matters is not located in human resources departments in order to signal that organisational culture is distinct from workforce discipline.</i>
	Organisations should strive to cultivate an enabling, supportive, collaborative environment where people are encouraged to speak up and are willing to do so without fear of detriment.	<i>This requires a change of mind-set where speaking up is viewed as constructive in order to tackle issues as they arise rather than leaving them to fester. Staff also need to be confident that the organisation will act on issues that are raised in order for them to feel that speaking up is a worthwhile act.</i>
	The importance of listening needs to be emphasised, as a complement to speaking up.	<i>One means of achieving this is to implement a specific Listen Up policy. Listening needs to be viewed as a dual-aspect process involving listening attentively and then acting on that listening. Listening with apparent sympathy but then not acting undermines confidence in the value of speaking up.</i>
	Where possible without compromising anonymity or sensitive data, organisations should be encouraged to provide details of the number and nature of instances of speaking up, with some indication of actions taken.	<i>This is important in order to show that speaking up is valued and leads to action. Channels include feedback to the person who has spoken up, public disclosure to show transparency, or both. Real-life examples, on a no-names basis, can also allow others in the organisation to see the culture in action.</i>
PROFESSIONAL ACCOUNTING FIRMS:	Large accounting firms could do more to make employees aware of the kinds of situations that arise and how they are dealt with.	<i>The largest accountancy firms have already developed a wide range of ethics policies and procedures, and continue to do so, but practices around the sharing of this information are variable.</i>

EDUCATION AND TRAINING:

Work pressures relating to very tight deadlines and the long-hours culture in the largest professional accountancy firms should be considered from an ethical as well as an operational perspective.

Interviewees viewed such work pressures as having an ethical dimension but did not feel that their firms viewed them in this light.

Small and medium-sized professional accounting firms should be encouraged to develop and publicise policies and procedures to the extent that is practicable, including leveraging the benefits of aiming to foster a supportive, collaborative, team-working environment.

It may not be practical for small and medium-sized professional accountancy firms to have the same range of ethics policies and procedures as the largest firms but, given the variability found in current provision, these firms could do more to leverage the benefits of aiming to foster a supportive, collaborative, team-working environment.

Education and training should, where possible, include real-life examples as these often have more power than text book ones.

Given the inevitability of encountering ethical dilemmas and the formative effect that early experiences can have, consideration should be given as to how real-life examples of dilemma situations and their resolution can be disseminated in a way that provides insights but protects the individuals whose experiences are being shared.

Education and training should include both technical and behavioural ethical dilemmas.

Trainee and qualified members of ICAS need to be aware that, as well as technical ethical dilemmas, they may well experience ethical dilemmas that are behavioural in nature, including pressures from clients and/or senior managers, bullying and dilemmas founded on cultural differences.

Education and training should include coverage of leadership styles, how to communicate effectively in challenging situations, workplace psychology and strategies for the development of resilience.

Interviewees would welcome more education and development in order to understand different leadership styles and to enable them to communicate effectively in a calm, measured way in challenging ethical situations. They also noted the importance of developing resilience.

Consideration should be given to providing specific training on workplace psychology, the importance of speaking up and listening, factors that help or hinder such speaking up and listening, the timing of speaking up and how to raise issues in a constructive way that is likely to be effective.

The above education and training should be included at both initial professional development (IPD) and continuing professional development (CPD) stages.

The above topics should be included both during the training contract and in continuing professional development as the current research shows that ethical issues affect all ages of member at all career stages, but with a suggestion that they tend to increase with seniority.

Practical advice for accountants should include encouragement to carry out appropriate due diligence into ethical culture before taking on a new client or accepting a new job, and collecting and retaining evidence if in a difficult ethical situation.

Some interviewees felt that, at times of stress, they had overlooked these examples of best practice.

NETWORK DEVELOPMENT:

Professional accounting bodies should reinforce the importance of developing and maintaining a professional network and give consideration to whether they could do more to assist accountants working in niche areas to develop such networks.

Professional accountancy bodies already recognise the importance of professional networks but, given how important these were viewed by interviewees, further reinforcement of the importance of networks is recommended. There were also calls for more network development in niche areas such as for accountants working for charities or family firms, so that people can share ideas with others who understand their specific context.

Consideration should be given to increasing support for ICAS members who experience isolation.

Feelings of isolation can relate to either business environment (for example, being the only accountant in a small, family-owned firm or charity) or geographic area. Some interviewees would welcome a means whereby members can make contact with others in a similar work area or locality.

**PROFESSIONAL
MENTORING AND
SUPPORT:**

Provide clear explanations of the nature and type of support that ICAS can provide via its ethics helpline in order to ensure that the expectations of the ICAS staff and membership are aligned.

Consideration should be given to establishing a specific ethics mentoring scheme.

There is a need to be clear about the nature and type of support that ICAS can provide via its ethics helpline as members held different views of their experiences.

Such a scheme could be similar in nature to the current career mentoring arrangements offered by ICAS to allow members with ethical dilemmas to be able to discuss these with suitably trained, experienced members. Often interviewees were not looking for solutions but appreciated the opportunity to be able to talk with a trusted individual.

1. Introduction

I was explaining to my daughter I was going to be having a call with you tonight talking about ethics and, you know, that it's something that ICAS are really focused on to say, 'We want people who have got that qualification to be known for their high standard of ethics'. And she was saying, 'Oh, that's quite interesting, because that is really important, it's important to you Mum, isn't it?' And I said, 'Completely'. I said, 'I think one of the worst things I could imagine is somebody questioning my professional ethics'.

(Extract from interview with Abigail)

The year 2018 was one in which the accountancy profession in the UK was the subject of considerable government and public scrutiny, especially in the aftermath of the collapse of Carillion plc in January 2018. The Kingman Review recommended that the current regulator, the Financial Reporting Council, should be replaced (BEIS, 2018a). The Competition and Markets Authority launched a market study into the UK's statutory audit market, following concerns about a lack of competition in the audit sector, with preliminary views being published in December 2018 (CMA, 2018) and its final report being issued on 18 April 2019. This report recommends the separation of audit from consulting services, mandatory joint audits to enable firms outside the Big 4 to develop the capacity needed to review the UK's biggest companies, and the introduction of statutory regulatory powers to increase accountability of companies' audit committees (CMA, 2019). Another review, the Brydon Review, was established to investigate the quality and effectiveness of statutory audit in the UK (BEIS, 2018b). Against this turbulent background, ICAS launched *The CA Agenda* in February 2019, highlighting three themes, one of which is Trust:

We are collectively facing a time of declining public trust in audit, accountancy, corporate governance and business. With rising scepticism and instant access to information on negative fall-outs from bad decisions, everyone must ask themselves how they can play an instrumental role as an architect in rebuilding and maintaining public trust.

What role can CAs play in rebuilding trust and how can they impact high-level decisions that may have negative consequences for the wider public? What does business need to do to insure against unethical practices? How can we champion responsible corporate behaviour in the interests of society?

Trust is not just an issue for the board or executive leadership, it's what we do as individuals every day, and ICAS has an integral role to play.... CAs have a unique view of the inner workings of business, and therefore an implicit role in eroding unethical practices. (ICAS, 2019)

This makes it clear that trust in business is not just a matter for businesses themselves but that individuals, including ICAS members, have a role to play. This is in keeping with the ICAS initiative, *The Power of One*, which recognises that individual accountants possess the power to influence those around them. ICAS has placed ethical leadership at the heart of the professional claim and ICAS members are reminded that:

Robust challenge must be seen as healthy and positive in relation to organisational culture. People need to take the lead and be able to speak their mind...

and

Individuals, and particularly CAs, should have the confidence to speak out... (ICAS, 2015, p.7)

The research reported here forms the second part of a two-stage project, following up on the first-stage questionnaire findings discussed in Paisey *et al.* (2019). The overall aim of this two-stage project is to learn about the ethical dilemmas faced by ICAS members, investigating how they respond to these ethical dilemmas, with a particular focus on:

1. Speaking up - occasions where they choose to speak up, or not, as the case may be;
2. Listening - whether they are listened to when they raise issues and whether they listen when others raise issues with them; and
3. Whistleblowing - whether, and in what circumstances, they decide to become a whistleblower by disclosing information outside their organisation.

The first-stage of the project (Paisey *et al.* 2019) reports the results of a questionnaire survey of ICAS members into ethical dilemmas, speaking up, listening and whistleblowing. Respondents were found to have encountered a range of ethical dilemmas throughout their careers. Dilemmas had occurred in all sizes and types of organisations and the issues were serious, not solely relating to accounting and tax matters but also covering areas such as fraud, theft, bribery, corruption, bullying, discrimination and harassment. When respondents encountered an ethical dilemma, most spoke up internally, more so if they were male and/or older members. Although many respondents found the courage to speak up, their experiences were not always positive. In instances where they had experienced a dilemma of an ethical nature and had reported it, respondents indicated that a majority of instances were investigated but not all, that a quarter of instances were not resolved and that, in 35% of cases, they were not at all satisfied with the outcome. Despite outcomes not always being viewed positively by respondents, it is very encouraging that the vast majority of respondents who had reported an ethical concern would do so again.

Any questionnaire survey can only provide an overview of issues and cannot provide deep understanding of the challenges and tensions faced by individuals as they wrestle with ethical dilemmas or of the thought processes behind their actions. In order to provide deeper insights into actual cases, the research reported in this second-stage follows up on the first-stage questionnaire findings set out in Paisey *et al.* (2019) by interviewing ICAS members about the types of situations that have caused them concern, how they acted in these circumstances, and the factors that facilitated or hindered satisfactory resolution. The interviews also probed in more detail the cultural changes and support mechanisms that interviewees would like to see.

The focus of the project is mainly on the individual accountant but individuals experience ethical dilemmas and frame their responses within particular organisational contexts. Hence, the first stage of the project also captured the characteristics of the organisational contexts within which survey respondents operate and these are also explored in more detail here.

The overall aim of this report is therefore to investigate the dilemmas and actions of ICAS members in depth to gain deeper understanding of the speak up, listen up and whistleblowing responses of ICAS members to ethical dilemmas. The interview findings are presented in the form of individually-focused extracts in order to personalise the experiential focus of the research. As such, they provide insights into the work and ethical challenges of being a professionally qualified accountant whether working in professional practice, industry, commerce, the not-for-profit or other sectors.

In order to address this aim, the following research questions are addressed:

1. What kinds of ethical dilemma situations have interviewees experienced?
2. How did they respond, specifically in terms of speaking up, listening and whistleblowing?
3. How does context affect the above?
4. What factors helped or hindered ICAS members as they sought to address ethical dilemmas?
5. What role does, and could, ICAS play in supporting members as they seek to address ethical dilemmas?
6. What conclusions and policy implications can be drawn from analysis of the interviewees' thoughts and experiences?

This report is organised as follows. First, some relevant background is provided in section 2. This is not intended to be a full literature review as literature is summarised in Paisey *et al.*, (2019) but instead covers some key prior findings relating to the six research questions. Then the research approach is explained in section 3. The above six research questions are then addressed in sections 4 to 9 respectively.

2. Background

2.1 Trust in business

A number of recent surveys provide insight into trends relating to trust in business. The value of fostering effective organisational cultures in order to increase trust has also been recognised. Throughout 2018, the Institute of Business Ethics recorded a total of 464 different stories involving ethical concerns and lapses at companies with a UK presence. The number of ethical lapses recorded for the professional services sector, of which accounting firms are a part, had increased since 2017, with behaviour and culture (25% of mentions), issues related to the treatment of employees and whistleblowing (together accounting for 25% of mentions) and conflicts of interest and fraud (together accounting for 16% of mentions) being the most frequently cited issues (IBE, 2019a).

The annual, worldwide, Edelman Trust Barometer survey 2019 found that there had been a shift from previous years, with perceptions of trust reflecting local circumstances, varying by country, sector and gender. Women were found to be less trusting than men, driven by attitudes to business around gender pay gaps, the lack of women in senior positions and the #MeToo movement (Edelman, 2019a). In the UK, only 48% of UK respondents felt that the way in which British business works today is good for society. Their three greatest concerns were that they felt that businesses prioritised profits over looking after people, did not pay their fair share of tax and that there was too much corruption. There were some encouraging signs, however. 73% of UK respondents reported trust in their employers, a greater percentage than those trusting “NGOs” (47 percent), “business” (47 percent), “government” (42 percent) and “media” (37 percent), with people wanting to work for employers that treated their employees well, with strong values and purposes, and a community focus (Edelman, 2019b).

The Institute of Business Ethics’ annual survey for 2018 provides further insights into the attitudes of the British public to ethics in business (IBE, 2019b). It found that public trust in business was at its highest level (62%) since the survey began in 2003 but, like the Edelman Trust Barometer, it found that some issues remained of concern, including corporate tax avoidance, executive pay, environmental responsibility, work-life balance and exploitative labour.

In relation to listed companies, the importance of speaking up and whistleblowing mechanisms is recognised in the UK’s Corporate Governance Code issued by the Financial Reporting Council (FRC, 2018a). Principle E of the Code makes it clear that the workforce should be able to raise any matters of concern whilst provision 7 states that:

There should be a means for the workforce to raise concerns in confidence and – if they wish – anonymously. The board should routinely review this and the reports arising from its operation. It should ensure that arrangements are in place for the proportionate and independent investigation of such matters and for follow-up action.

The Code also recognises that effective speak up and whistleblowing policies can help to engender trust and break down barriers between the board and the workforce. In this way, such arrangements can contribute to a healthy corporate culture that aligns company values with strategy and promotes integrity (FRC, 2018b).

Beyond listed companies, in the view of the Institute of Business Ethics (Bradshaw, 2017), effective speak up arrangements are a vital element of a successful supportive ethical business culture, thus contributing to trust in business more generally. This places obligations on organisations to encourage a speak up culture by establishing a

procedure for employees that gives employees the confidence to raise concerns about anything they find unsafe, unethical or unlawful, and also a responsibility on employees to use those procedures (Bradshaw, 2017). This is in line with the ICAS *Power of One* and The CA Agenda initiatives. Paisey *et al.* (2019) presented preliminary findings from a questionnaire survey of ICAS members on the actual ethical dilemmas they encountered and how they set about resolving them. This monograph investigates these more fully.

2.2 Dilemmas encountered by ICAS members

Research carried out for ICAS around a decade ago entitled *What Do You Do Now? Ethical Issues Encountered by Chartered Accountants* gave insights into the range of ethical issues that members typically encountered (Molyneaux, 2008). This was followed by the publication of *Shades of Grey – Ethical Dilemmas* (ICAS, 2009). These publications provided a range of case studies on the following topics:

Earnings management	Aggressive cost saving	Audit opinions
Double payment of invoices	Tendering	Contingency fees
Mergers and acquisitions	Personal benefits	Conflicts of interest
Overseas trading in unstable environments	Fraud	Whistleblowing
Disclosure compliance	Going concern considerations	Confidentiality
Non-executive appointment considerations	Systems weaknesses	Billing

These publications were followed up in 2016 by a series of case studies entitled *Shades of Grey - Directors' Dilemmas* (Brennan, 2016). These later case studies covered the following areas:

Directors' fiduciary duties/ conflict of interest	Information asymmetry Conduct of board business	Decision making Behavioural issues
Directors' duties of care and skill		

Paisey *et al.* (2019) found that 67% of ICAS respondents had experienced an ethical dilemma. These occurred at all stages in the respondents' careers but more frequently at more senior stages in their careers. They also occurred in all types and sizes of organisation. The types of ethical issues encountered were as follows (presented in order of prevalence):

- Accounting irregularities *
- Fraud / theft
- Bullying
- Taxation issues
- Bribery / corruption
- Auditing issues
- Employee expenses
- Harassment
- HR matters
- Discrimination
- Bonuses and incentives
- Executive pay
- Health and safety
- Environmental and security issues

* The most commonly reported accounting irregularities related to account reconciliations, related party transactions, revenue recognition, fairness of disclosures and measurement/valuation of tangible non-current assets.

These latest findings suggest that there have been some shifts in the issues reported by ICAS members. There is more reporting of behavioural issues including bullying, discrimination and harassment. There is also a greater focus on executive pay, bonuses and incentives, and employee expenses. It is likely that these reflect recent media attention on behaviours, such as those highlighted by the #MeToo movement and ongoing debates about remuneration.

Following on from the findings reported by Paisey *et al.*, (2019), this second stage of the research project seeks to learn more about the dilemmas faced by the ICAS membership by interviewing ICAS members. The starting point for the interviews was to ask interviewees the following question in order to contextualise the subsequent interview conversations:

Research question 1 - What kinds of ethical dilemma situations have interviewees experienced?

2.3 How ICAS members respond to ethical dilemmas

This monograph defines the terms *speaking up*, *listen up* and *whistleblow* as follows:

<i>Speak up</i>	This refers here to speaking up internally within an organisation. The matter being raised may be anything from minor and small scale to major and very serious. Sometimes this is referred to as 'internal whistleblowing' or 'internal reporting'. The term is often used to refer to <i>speaking up</i> policies that facilitate, and provide a mechanism for, speaking up.
<i>Listen up</i>	This refers here to being listened to if someone speaks up. The term may refer to specific listen up policies and is regarded as an important element of organisational culture on the basis that speaking up will not be effective unless someone listens.
<i>Whistleblow</i>	This refers to speaking up externally, where information is communicated outside of the organisation, for example to government agencies or the media. This is often regarded as a last step when internal speaking up has not worked, but sometimes matters may be communicated externally without going through internal procedures beforehand.

(Source: Paisey *et al.*, 2019)

Speak up

Given the negative connotations often associated with whistleblowing, the term *speaking up* is increasingly being used rather than the older, but still sometimes used, term of internal whistleblowing. *Speak up* is considered to be softer and broader, with the aim of encouraging people to raise issues, however serious or trivial they may seem, at the earliest opportunity and in a no-blame environment (CISI, 2014; Johnson, 2015; Vandekerckhove *et al.*, 2015).

Paisey *et al.* (2019) found that 82% of questionnaire respondents who answered the survey question had faced an ethical dilemma and chose to remain with their organisation. The remaining 18% left. Of those who stayed, 93% raised the matter with someone. In 77% of these cases¹, people reported the issue internally (defined here as *speaking up*).

¹ 77% of the 93%

In 19% of cases, they reported both internally (defined here as speak up) and externally (defined here as whistleblow). A small minority of 4% reported the issue externally only (defined here as whistleblow).

Speaking up internally was therefore the most likely action of ICAS members. Most ICAS members worked in organisations that had ethics and speak up policies although these were not always well known and training was not as effective as it could be. The results showed a strong correlation between the size of an organisation and likelihood of having a speak up policy. Hence, accountants working for small and medium-sized organisations were more often found to be working in organisations that lacked a formal, documented, speak up policy.

The following reasons were indicated by the respondents as extremely or very important for someone choosing to *speak up*² :

- a) Feeling that the issue was too important to ignore (96%);
- b) Feeling of doing the right thing (92%);
- c) May prevent similar situations in the future (81%);
- d) In the long term interest of the organisation (78%);
- e) Important for trust in business (77%);
- f) Protecting the reputation of the organisation (74%);
- g) Enhancing organisational culture (65%).

The following reasons were indicated by the respondents as extremely or very important for someone choosing *not* to *speak up*³ or whistleblow:

- a) No action would be taken to remedy the situation (73%);
- b) Fear of negative impact on future career prospects (52%);
- c) Fear of bad reputation (48%) ;
- d) Fear of losing job (35%);
- e) Did not know where to report the issue (35%).

Listen up

In recent years, the term *listen up* has begun to be used in the business world (Linklaters, 2014) as well as in a variety of non-business contexts, particularly in the health service (Francis, 2015; NHS Improvement, 2016) and civil service (Manzoni, 2016). Focusing on listening flips the emphasis commonly associated with speaking up as it assumes that speaking up will only be effective if someone else listens, and acts on what they have heard. It therefore focuses attention not only on the speaker but also on the recipient of the spoken words, emphasising the dual nature of the communication. This is viewed as having positive effects by making people feel more respected and visible, and less anonymous (Alvesson and Sveningsson, 2003). The UK government's guidance for employers, issued in 2015, also recognises the importance of listening:

As an employer it is good practice to create an open, transparent and safe working environment where workers feel able to speak up. Although the law does not require employers to have a whistleblowing policy in place, the existence of a whistleblowing policy shows an employer's commitment to listen to the concerns of workers. By having clear policies and procedures for dealing with whistleblowing, an organisation demonstrates that it welcomes information being brought to the attention of management. (BIS, 2015, p.3)

² Respondents could select all that applied to them.

³ Respondents could select all that applied to them.

Paisey *et al.* (2019) found that, in the organisations where ICAS members worked, policies that focused on listening (whether called listen up policies or having another name) were less prevalent than those that focused on speaking up. However, most respondents did feel that they were listened to at a more general level. Therefore, listen up policies are starting to appear but are at a much earlier stage of development than speak up policies. Paisey *et al.* (2019) concluded that stressing the importance of listening is as much about cultural change as it is about specific policies and that there is considerable scope to improve policies in this regard.

Whistleblow

Paisey *et al.* (2019) found that most ICAS members spoke up internally when faced with a dilemma but only a very small number were whistleblowers, reporting the matter externally, for example to a regulator or law agency. It is clear from prior literature that such external whistleblowing is often risky and stressful, with negative outcomes for the whistleblower in terms of health and job prospects (Boyce, 2014; Dussuyer, 2015; Park *et al.*, 2018).

Nonetheless, some of the most significant accounting and business scandals of recent years have been exposed because of the actions of whistleblowers, including the Enron, WorldCom and Olympus cases (Lehman, 2014), bribery at Rolls-Royce (Milmo, 2012), the Tesco profit overstatement due to incorrect treatment of supplier payments (Thomas, 2014) and Volkswagen's emissions defeat device (Ewing, 2016).

When all else fails, therefore, whistleblowing can expose malpractice, though the more recent emphasis on speaking up suggests that, in most circumstances, it will be preferable to deal with situations within the organisation at the earliest stage, meaning that whistleblowing will often come at the end of a series of actions if other routes have failed. In some particularly difficult circumstances, however, whistleblowing may be preferred as a first, rather than last, course of action instead of speaking up internally, especially if there are concerns about, for example, criminality, loss of evidence or tipping off. Given the important public interest aspect of whistleblowing in revealing malpractice, it is surprising that there has been so little research into the speak up and whistleblowing intentions of professionally qualified accountants, with most research using students as proxies (Gao and Brink, 2017). This monograph addresses this gap.

Following on from the findings reported by Paisey *et al.* (2019), this second stage of the research project seeks to learn more about how ICAS members responded when they faced an ethical dilemma, specifically in relation to speaking up, listening and whistleblowing, as expressed in the following research question:

Research question 2 - How did they respond, specifically in terms of speaking up, listening and whistleblowing?

2.4 The importance of context

Molyneux (2008) and ICAS (2009) distinguished between the ethical issues faced by accountants in practice and those in business. Brennan (2016) focused on non-executive directors. These publications therefore work on the assumption that the precise issues faced by ICAS members may vary depending on the context within which they operate and the roles that they hold.

ICAS has over 22,000 members who are found in a wide variety of contexts. As at 31 December 2018, 26% of ICAS members worked in professional practice, 46% in industry and commerce, and 4% in the public sector. 18% were retired and 6% were in other unspecified sectors⁴. 34% of the membership is female, 66% is male. 26% of members were under the age of 35, 41% were aged between 35 and 54 and 33% were 55 or older. 86% were based in the UK with the remaining 14% operating in over one hundred countries worldwide.

Prior research has focused primarily on the moral reasoning abilities and ethical decision-making processes of accountants in professional practice, usually working as external auditors (Trevino and Youngblood, 1990; Ponemon, 1990, 1992; Ponemon and Gabhart, 1992; Abdolmohammadi and Baker, 2006; Brennan and Kelly, 2007; Alleyne *et al.*, 2013, 2018) or of accountancy students (Haswell and Jubb, 1995; Goodwin and Goodwin, 1999; O'Leary and Cotter, 2000; Chan and Leung, 2006). Given that only one quarter of ICAS members work in professional practice, it is important to know about the issues that arise once people leave professional firms. One interview-based study has been conducted of ICAS members working in business (Burt *et al.*, 2011). This study found that the accountants went through a thought-process when dealing with their dilemmas that began with a consideration of the technicalities, before moving to consider a range of consequences, both personal and professional, and ending with reflection on their own personal values, a process similar to that included in the ICAS ethical guidance, *The Ethical Journey: The Right, the Good and the Virtuous* (ICAS, 2018). The interviewees did feel that age makes a difference. A number thought that, with maturity, they would deal with matters differently. Context also seemed to matter with those in larger organisations feeling more supported.

Paisey *et al.*, (2019) reviewed a wide range of personal characteristics, intrinsic factors, elements of organisational culture and other contextual factors that had been found in prior literature to affect the propensity to speak up and whistleblow. However, the nature of ethical dilemmas is such that it is difficult to discern patterns. For example, it is possible to find both studies that suggest that males are more likely to report issues than females, and *vice versa*; that older people are more likely to report than younger people, and *vice versa*; that those who have been in an organisation for a longer time are more likely to report, and *vice versa*.

Helliar and Bebbington (2004) found that ICAS members in younger age groups tended to have support mechanisms whereby they could report concerns to their line managers, but that those in mid and later career increasingly were the people who had to deal with the challenges of ethical dilemmas. In their survey, they found that the oldest ICAS members had considerable work experience upon which to draw, but mid-career members were caught in situations where they had to deal with complex dilemmas but had yet to gain significant experience. In the Paisey *et al.* (2019) survey, it was found that male and older members were more likely to speak up when they encountered dilemmas.

⁴ Figures provided by ICAS.

In order to better understand the ethical dilemma situations described by interviewees and their actions, the following research question is addressed:

Research question 3 - How does context affect the findings to the above two research questions?

2.5 Factors that help or hinder when addressing dilemmas

Features such as ethics policies, codes of ethics, core values and speak up policies have been suggested as significant factors in fostering an effective organisational ethical culture (IBE, CEA and Forética, 2015; Dondé, 2016). Paisey *et al.* (2019) found that larger organisations tended to have more developed ethics policies, speak up and whistleblowing policies and procedures implying that those accountants who work in smaller organisations may require additional support.

The existence of support mechanisms for reporting wrongdoings (Alleyne *et al.*, 2013) including supervisor (Mesmer-Magnus and Viswesvaran, 2005) and team (Lee and Xiao, 2018) support, and favourable attitudes towards the reporting of issues (Lee and Xiao, 2018) have been found to make such reporting more likely. Reporting is also more likely where there are externally administered reporting channels (Gao *et al.*, 2015) and protections against retaliation (Lee and Xiao, 2018). There is also some, though limited, evidence that people are more likely to whistleblow if they perceive it as their responsibility, and have a heightened sense of professional accounting identity and positive attitude towards the accountancy profession (Lee and Xiao, 2018). However, most of these studies have taken place within specific cultures and it is not clear that speak up and whistleblowing intentions can be generalised across cultures. Therefore, there remains little understanding of the factors that might help or hinder ICAS members when addressing ethical dilemmas, hence this is addressed in research question 4.

Research question 4 - What factors helped or hindered ICAS members as they sought to address ethical dilemmas?

2.6 The role of ICAS

ICAS provides a range of ethics support, including documentation such as the Code of Ethics and *The Power of One* publications and an ethics helpline. Most respondents in the Paisey *et al.* (2019) research had consulted the documentation and older respondents reported feeling more equipped to deal with ethical dilemmas than younger respondents. Respondents said that they would be likely to consult with others if they found themselves in a situation where they were considering speaking up or whistleblowing. The respondents indicated all the sources they would be extremely and/or very likely to approach:

- a) Another chartered accountant on a personal basis (e.g. friend, colleague) (62%);
- b) Friend or relative (48%);
- c) ICAS (43%);
- d) Support provided by employer (e.g. hotline, counselling service) (40%);
- e) Lawyer (35%).

In terms of the support they would like ICAS to offer, respondents indicated that they would welcome advice from ICAS (92%), training in how to deal with ethical dilemmas (72%), training on speaking up specifically (46%) and listening (41%). There was little support for help with finding another job or financial support if they found that they had

to leave their post. In order to investigate further the role that the profession can, and should, play in supporting members who face ethical dilemmas, the following research question is addressed:

Research question 5 - What role does, and could, ICAS play in supporting members as they seek to address ethical dilemmas?

Finally, drawing together research questions 1-5, a final research question is proposed:

Research question 6 - What conclusions and policy implications can be drawn from analysis of the interviewees' thoughts and experiences?

3. Research approach

3.1 Research method and protocols

Since the aim was to gain a deeper understanding of members' dilemmas than can be gained from a questionnaire survey alone, the interview method was selected. Given the sensitive nature of ethical dilemmas, the main challenge of using interviews is to be able to find sufficient suitable interviewees. In previous research conducted by ICAS into ethical issues encountered by members (Molyneaux, 2008; ICAS, 2009), considerable difficulties had been encountered in finding a group of member volunteers who were willing to share their experiences of the ethical issues that they had encountered. Initial calls via the monthly magazine and other channels had produced few volunteers so a more direct approach was used, contacting members individually. Even with assurances of anonymity and the disguising of dilemmas, many were initially reluctant but Molyneaux (2008) persisted as he was convinced of the power of using real-life examples drawn from actual experiences. As Paisey *et al.* (2019) found, much of the existing research into ethics dilemmas takes the easier route of using hypothetical examples and students as proxies (Paisey *et al.*, 2019) but, like Molyneaux (2008), the hope here was to be able to speak with members about real-life experiences that would resonate with the ICAS membership and accountants more broadly and have authenticity that would be more useful in understanding ethical challenges and how to support members.

Interviews were semi-structured, in order to ensure comparable coverage but took the form of a conversation in order to be able to focus on the individual circumstances of interviewees. This report contains numerous quotes from these interviews as the intention is to let the interviewees' voices speak for themselves in order to enable readers to better understand their dilemmas.

It became clear early on that interviewees were very keen to share their experiences and the interviews were in-depth interactions, lasting between one and 2.5 hours. They began by interviewees recounting their career history in order to help to contextualise their later experiences. Whilst not life histories, which would tend to require longer interviews, they were of a life-history type. Having provided a synopsis of their career, interviewees were then asked to speak about ethical dilemmas they had encountered (in so far as they were happy to provide details), how they had acted (for example, in terms of speaking up, listening and whistleblowing) and what had motivated them to act as they had done, whether they had discussed the dilemmas with anyone else, including but not confined to other ICAS members and ICAS staff, support and other factors that had been a help or hindrance, and any other aspects that they felt were relevant to their situation.

Ethical approval was received from the University of Glasgow before the interviews began and several commonly-used protocols were adopted. These included assurances of confidentiality and anonymity, and signed permission to proceed. In this monograph, therefore, each interviewee has been allocated a pseudonym and identifying details such as company names have been removed. A list of interviewees is provided in Section 3.2. Some details are included in a table in order to help readers to contextualise the analysis but these have been kept at a general level as some of the interviewees and their organisations could be identified if further details were provided. Permission was sought to record interviews so that they could be transcribed. One interviewee preferred not to be recorded so notes were taken instead. All other interviews were transcribed verbatim.

45 interviewees were located across the UK, mainly in cities (most often in London, Edinburgh and Glasgow), but also in towns and rural locations. 37 were conducted in person and eleven interviews were conducted by telephone, including three with interviewees located abroad. The interviews took place between March 2018 and March 2019.

The interviews were analysed by theme. Thematic analysis was considered to be appropriate as it is a flexible method for identifying, analysing, and reporting patterns and themes within data (Braun and Clark, 2006). Clark and Braun (2013) define a theme as a coherent and meaningful pattern in the data relevant to the research question. The appropriateness of a theme rests in its ability to capture some level of patterned response or meaning within the data in relation to a specific research question. Data analysis focused upon the identification of themes and the development of associated categories, with a view to eliciting and explaining behaviours and relationships (Parker, 2008).

The analysis followed the four distinct stages advocated by Braun and Clark (2006) and Clark and Braun (2013). First, the recorded interviews were transcribed by a team of three transcribers, then read and re-read by the researcher in order to become familiar with the data. Second, the data was coded. Drawing on the research questions, the themes initially used were detailed. For example, an interviewee's dilemma would be coded with details such as sector, stage in career, type of technical issue(s), any specific relationship or behavioural aspects, type of reporting, if any, such as anonymity, usage of a helpline or face-to-face, motivations, concerns and support. Since dilemmas were wide-ranging, at this point the themes were similarly wide-ranging. The third stage of the process was to thematise the coded data, pulling together the codes from across the entire dataset. Fourth, the themes were refined under the thematic headings used in Sections 4-8.

3.2 Interviewees

48 interviews were undertaken by the researcher. A section had been included at the end of the Paisey *et al.* (2019) questionnaire survey asking if respondents would be willing to be interviewed in order to explore their ethics experiences in greater depth. 34 interviewees came from this source. As the interviews progressed, it became clear that more men and older members had volunteered so the ICAS Head of Research assisted with trying to find more female and younger members via an article in the daily newswire, CA Today, and by direct approaches. This produced three additional interviewees. In total, therefore, 37 ICAS members were interviewed about their ethical dilemmas. Most of these interviewees were either currently in full-time, permanent, roles or were retired, having worked for a variety of organisations throughout their working lives. What they shared was the early experience of training to become a chartered accountant. Most had trained with a Big Four or predecessor firm. This gave the interviewees the opportunity to compare and contrast different types of organisations and working environments. Only one had trained outside of private practice.

The remaining eleven interviewees were approached directly in order to provide a more rounded understanding of the topic area. Five were partners or directors at Big 4 and other professional firms, four worked in ethics roles at other professional bodies in accounting or closely related financial areas, and two worked in other areas, one at a whistleblowing charity and the other at an organisation that focused on business ethics. Of these eleven, six were professionally qualified accountants.

Details of the interviewees are included in the following table. The table shows gender, approximate age and experience via decade of admission to ICAS, and the work environment where the interviewees have/had spent most of their careers:

	Pseudonym	Admitted	Gender	Face-to-face interview	Telephone interview	Member in practice	Member in business	Member in not-for-profit sector	Ethics Partner/ Director	Professional body	Other
1	Belinda	1990s	F	•				•			
2	Elliott	1970s	M	•			•				
3	Isaac	1980s	M	•				•			
4	Finlay	1970s	M	•			•				
5	Colin	1960s	M	•			•				
6	Logan	1980s	M	•		•					
7	Nathan	2010s	M		•	•					
8	Jonathan	1970s	M	•		•					
9	Leo	1960s	M		•		•				
10	Sam	1990s	M	•			•				
11	Jill	2000s	F	•			•				
12	Edward	1980s	M	•				•			
13	Adam	1970s	M	•			•				
14	Ethan	1970s	M		•		•				
15	Jim	1980s	M	•		•					
16	Robert		M	•							•
17	Sally	2010s	F	•		•					
18	Jack	1970s	M		•		•				
19	Bruce	1970s	M	•		•					
20	Joshua	1990s	M		•		•				
21	Harry	1980s	M		•		•				
22	Mark	1980s	M		•		•				
23	Calum	1980s	M	•			•				
24	Henry	1980s	M	•			•				
25	Max	1970s	M		•		•				
26	Daniel	1980s	M	•			•				
27	Abigail	1990s	F		•		•				
28	Matthew	1970s	M	•			•				
29	Rose		F	•						•	
30	Claire	1980s	F	•				•			

	Pseudonym	Admitted	Gender	Face-to-face interview	Telephone interview	Member in practice	Member in business	Member in not-for-profit sector	Ethics Partner/Director	Professional body	Other
31	Lucas	2010s	M	•		•					
32	Ben	1960s	M	•			•				
33	Diane	2010s	F	•				•			
34	Jacob		M	•						•	
35	Tom		M	•					•		
36	Kate		F	•					•		
37	Paula	2010s	F	•				•			
38	Hugo		M	•						•	
39	Sebastian	2010s	M		•	•					
40	Alexander		M	•						•	
41	Alan	2000s	M	•			•				
42	Charles		M	•					•		
43	Conner		M	•					•		
44	Yvonne	2000s	F	•		•					
45	Laura	2000s	F	•			•				
46	Morven	1980s	F		•		•				
47	Arthur		M	•					•		
48	Elizabeth		F	•							•

4. Dilemmas encountered

4.1 Identifying an ethical dilemma

For Jacob, the starting point in any discussion of ethics is that accountants “*need to recognise that they have an ethical dilemma*”. Interviewees distinguished ethical from other dilemmas in a number of ways. Some felt that there is a dividing line between a technical and an ethical issue, even if that line can be quite difficult to discern. Sam noted that ethical issues are “*broader than simply technical ones*”. Bruce saw some overlap between ethics and risk, saying “*I sometimes find it difficult to separate risk and ethics because if there is a risk there is probably an ethical aspect to it*”.

Other interviewees distinguished unethical from criminal activity. Daniel said that the issues he had come across in his career were not criminal, rather they were occasions where people “*were probably taking things a bit too far, it’s maybe more stretching what you think’s reasonable in terms of professional ethics*”. Logan described one situation, involving some disclosures that he considered to be required, where others disagreed, as concerning how to apply laws and rules rather than something ethical:

It wasn’t an ethical one, it was just learning and using relationships to deliver the end point and the end point was the disclosure had to be made and..., once the lawyers got a hold of it there was no ambiguity whatsoever, it was ‘of course it has to be’ and lawyers just jumped at it and said ‘do it’.

4.2 The inevitability of encountering an ethical dilemma

Interviewees recounted a wide range of dilemmas. In their opinion, it was likely that ICAS members would encounter ethical dilemmas throughout their career. In Adam’s words:

Anyone who is a chartered accountant active in business and believes that ethical questions won’t arise or ethical questions can be trained away, I would have to say there is a degree of naivety in that.

In Sam’s view “*there are always ethical issues that arise from time to time*”. He reflected that he did not really see the value of ethics learning during his training:

It’s such a technical qualification with 99.9% of what you’re taught is weighted to your technical acumen. That’s the way I remember it. It’s probably not as much as that! But yes I remember going through the ethics module when I was going through my studies and thinking, or not thinking, just reflecting, on the fact that this is not accounting.

However, over the years, his view has changed:

It clearly is part of the qualification, the brand, and it’s come to mean a lot to me over the last 20 years post qualification.

A number of interviewees felt strongly that the current business and corporate cultures were unhelpful and led to a climate in which ethics breaches were all too common. Henry was critical of the regulatory system, saying “*the regulators effectively are toothless, especially in the face of the big corporates, particularly the banks.*” He referred to examples such as salaries being “*out of control*”, “*short-termism*”, in essence “*the perfect storm of how not to do it*”. A lot of Henry’s work is with small and medium-sized firms and he was particularly concerned that some such businesses were losing trust in banks, especially where they were faced with high bank charges. He would therefore like accountants to do more to bring such matters to public attention, arguing that accountants “*have a responsibility to society to ensure these things that we see in the press don’t happen*”.

The nature and range of dilemmas encountered by interviewees varied widely. Some recalled only one, others two or three. The largest number was recalled by Matthew. During his career, he had focused on taking on interim positions, often turnaround cases, and hence had experience of working at a larger number of firms than most of the other interviewees. As he put it *“my career has not necessarily been representative because I have been dealing with some troubled companies”*. The 34 situations he had listed ranged from criminality including dishonesty, fraud and probable bribery, to directors acting in their personal interest, reporting and control issues, and issues of trust. Prior to the interview, he had analysed these and said *“out of 34 difficult events, I’ve ignored twelve of them, I’ve reported thirteen, I’ve taken action on five and I’ve quit”* in the four remaining cases. To illustrate the range of responses, he explained a situation where he took no action as he had suspicions but no evidence to take things further, situations where he had reported criminal behaviour to various relevant authorities, others where he had reported to banks, and instances where he had been able to speak with people in the organisation to effect change. He believed that the type of role he held meant that he was likely to be in situations where there could be dilemmas but he also felt that being in interim roles gave him the scope to speak up in ways that might have been more difficult had he been in a full-time role, as the following extract, when discussing one role, shows:

I think one question you could challenge me with though, I think Catriona, is that had I been – I was interim Finance Director there, and I was there for probably six or eight months – had I been a Finance Director down there on a full time contract, and had I had three children at fee paying schools, and a big mortgage round my neck, would I have dealt with it the same way? And you see I don’t quite know the answer to that. I think I would have been slower off the mark. So, my interim position, I’ve always felt gives me more independence because I’m not dependent on any one company, even though I am at the company and working hard for them. It has given me a sense of independence.

Two interviewees mentioned incidents that had occurred during their training days and some interviewees referred to incidences that had taken place in their retirement, for example when engaged in non-executive roles, as well as others that occurred during their main career period. However, most of the experiences reported in this monograph occurred during the post-qualification working lives of the interviewees.

4.3 Formative experiences

Interviewees often recalled incidents that happened early in their careers that had been formative experiences that had stuck with them and shaped their subsequent actions or thought processes later in life. Logan referred to a case that happened around six years after he had qualified as a chartered accountant, one *“where I guess I’d picked up on my ethical realism”*. This case required Logan to trace money across a complex web of countries and accounts and gave him his *“earliest exposure, if you will, to ethical situations”*.

During his chartered accountancy training with a large firm, Daniel recalled finding a payment to an investment company for some shares that had been processed as expenses whilst he was auditing a building business, which he had thought was unusual. The payment was not material but he had queried it and had been told that the payment had

been processed incorrectly. Then, “the next day they magically produced an invoice” for a different expense. He had made a note on the file for more senior members of the team to review but, as far as he was aware, no further action was taken. Then the next year:

It so happened that I was on the same job the following year and the same thing came up and it was the return cheque or something for that same payment. And I realised it was obviously... it was made to whoever it said it was made to in the first place.

He had been quite disillusioned because:

That always stuck in my mind, because I remember sort of feeling frustrated in a way that you could pick up somebody clearly fiddling the books or dodging the tax man or something, but you didn't do anything about it because you didn't want to lose your job.

Abigail also remembered an experience from her training days. An issue had come to light during an audit and the audit manager disagreed with the approach the audit partner wanted to take. The partner made it clear that he did not want the accounts to be changed:

And the manager didn't agree. He felt the points were material and the accounts should be changed. And the partner was saying, no, they weren't going to be. And so, they had a bit of a raised voice shouting match in a big open area, and the manager said, 'I am not signing them, because I don't agree with it.' And I think a lot of us – the place went silent. But I remember thinking to myself how brave that manager was, and I was really, really impressed with him.

Later in the interview, when discussing the need for people to be sensitive to different personality styles, she reflected on this situation and remarked that it would have been helpful for the manager to have known more about the tactics of dealing with such a situation:

That manager, probably it wasn't his ideal situation to be shouting at this partner or shouting at each other in front of the floor. If he could have gone away and thought, 'I don't seem to be getting my point over here, why is that? Can I reflect on what I know of the partner, what is his style? Is there a way I could say this, could I get somewhere?' Because I suspect if he'd been able to draw on some experience like that then, maybe the issue could have been resolved. It's just how you should raise it - and that can make a difference.

The complex moral dilemmas involved in seemingly clear-cut instances had struck Ben early in his career. He remembers the first embezzlement case he came across at a garage:

And it was a woman who took out duplicate invoices and renumbered them and got rid of them or changed them. I don't know how we found out but anyway she went to jail and that was when I started thinking, you know, we're there as accountants, we've found this, and that woman who has a family has gone to jail. And I had to think about that, whether it was the right thing that we did.

On leaving professional practice after qualification for a job in industry, Jonathan recalled that:

There was one issue where one of the (and I was a lowly accountant at that time), one of the directors insisted that payments were made on his behalf to (name deleted). And I refused to do that because they were obviously nothing to do with the company. That created mayhem but internal mayhem. And my boss the Finance Director - he was also an ICAS member - at that time said it was just as well I had refused to make the payments because if I had made the payments then it would have been my blood that was on the line. So that was obviously an endorsement of my stance and to some extent a salutary lesson.

There was therefore a strong, commonly-expressed, feeling that some experiences relatively early in a person's career could shape their outlook and ethical mind-set. This points to the importance of careful selection of both training firm and subsequent first move after qualifying. For Laura, her training experiences and first move on qualification were key elements in her career:

I think I've reflected recently that the organisations where you spend your first 3-4 years out of university are really formative in helping you have a foundation of what you expect is good in business and so my formative years were spent at (two accounting firm names deleted)... they're structured, they're focused, there is a clear strategy, there is clear leadership, people are accountable for their time, they're accountable for their deliverables and because I guess of the way in which people come into those organisations and have an expectation about career progression and development, similarly there are expectations about how behaviour performance is managed... The biggest change I think comes from when you move into industry and I think your first role out of consulting or accounting is the shock because that's when you begin to see things don't run like clockwork.

4.4 Technical issues

A wide range of technical issues were raised by interviewees. Many of these were similar in nature to the dilemmas included in Molyneaux (2008) and ICAS (2009), suggesting that technical dilemmas endure. In Hugo's experience, most of the ethical issues that are reported to his professional body's ethics helpline are also technical rather than behavioural, money laundering being the most commonly reported, with theft, issues over expenses and errors also featuring.

In this section, some of the dilemmas recounted by interviewees are presented in order to provide insights into the types of dilemmas that can occur. Some are of recent origin whilst others occurred earlier in the interviewees' careers. In this section, an indication is given of timescale but the main focus here is to provide some insights into how people acted, whereas the presentation of dilemmas in Molyneaux (2008) and ICAS (2009) was to provide case studies for educational purposes.

Cash flow problems and breach of bank covenants

Elliott recounted an incident early in his career which he described as a “quite interesting baptism of fire”. Soon after taking up a new job, he realised that the firm was in breach of all of its banking covenants and that, whilst not always in contravention of accounting standards, “they were stretching things”. He prepared some cash flow forecasts as:

There was no cash flow forecasting in the business when I went to it, so they had no idea where they were in terms of cash. So I very quickly put a review in place, a forecast balance sheet thing so that we could look at where the cash was coming and it clearly didn't show a very good picture at all.

When he showed the forecasts to the Finance Director he had been told to “get out” as “he didn't want pessimists in his business”. The business had been pursuing an aggressive acquisition strategy and he continued that “the company on paper was still highly profitable - I think it made over £50 million - a lot of which had come from this financial engineering”. When these acquisitions stopped, profits drained away and “the Finance Director and I assumed the Chairman told the Financial Controller to find some profit” to avoid reporting, at best, break-even, or, at worst, a loss. This, the Finance Controller duly did, but he also prepared a memo:

A memo of about 8 or 9 different points, where they would write things back to capital or take income ahead (and I did have this note until a few years ago but have cleared stuff out). But the note was there and he gave me a copy of this, which effectively changed break-even to about a 10 million profit for the 6 months. And so I thought, 'well there is no way I can go and talk to the banks on this basis because this lacks complete credibility'. Basically I just wasn't prepared to do it.

Elliott therefore raised the issue with the Finance Director and also discussed it with someone outside of the company whom he trusted. In his words, the decision to speak up was the only one he could have taken:

It was just a situation which was completely untenable and particularly as I had this role in front of the banks. It would just be inconceivable that I could have explained this to the banks. You just couldn't do it. I couldn't have done anything else.

He also took the memo to the then Department of Trade and Industry (DTI) but, to his surprise, the DTI did not investigate further.

Revenue recognition

Although Diane's current role is in a not-for-profit organisation, she said that there is still a lot of pressure to grow the business, with some quite challenging growth targets. There is a policy which is applied consistently “but I suppose I have been under pressure at some points to kind of be a bit flexible and it is an area of judgement, so it is not quite as cut and dry as some of the other things. So there has been a bit of tension around that I suppose in trying to kind of inflate revenue positions”. She has also felt pressure “to capitalise more and expense less”. She has been able to discuss these issues with other accountants in her network but feels that this is an area where more support from ICAS would be helpful in order to link her with other accountants in similar situations.

Over-invoicing

Mark described a practice of over-invoicing that he had seen some time ago at a company that had sales agents throughout the world:

This was quite common apparently with certain representatives or sales agents in various countries who would make the sales whilst perhaps not being part of a branch or a legal entity there, but they would make the sale on behalf of the company as a distributor, commission to agent or whatever, and from there they would ask for that invoice to be over-invoiced by say 10% and the 10% extra be dropped off in a bank account somewhere.

Mark and a colleague in the treasury function ran the finance function and wanted to eradicate the practice but:

We came under quite significant pressure...you know people were saying 'this is always happening, you're too young, you don't understand, we are going to lose sales, we're going to lose profitability, this will not be looked upon..., different ways of trying to, not coerce per se, but influence you to keep the thing going.

He said that it was necessary to remain firm and stand their ground in the face of a lot of pressure to drop the issue but in the end they were fortunate that the CEO listened to their concerns and acted:

We said it stops now or then we actually offered to resign and you can get someone else to run the department for you and at that time there were various sales guys up to the sales director trying to push us in one way and also even some people from production and so on because there was a little bit of a conspiracy going on between them, that these guys from outside the group, young guys coming in don't really know, they're going to change everything, it's going to affect our earnings, it's going to affect profitability and everything and we have to get it stopped. In the end the lucky thing was that we had a CEO... who was prepared to listen to what the law was, what the rights and wrongs were, what was going on in the real world of finance and law as to such procedures and he actually supported us to get the process eradicated. Now that's very condensed, but it took some months. It didn't take, it wasn't like one of these you have one meeting and everybody sits down and then it's cleared, there was a lot of pressure going back and forward over time until we got to the crunch point when we had to make the final decision.

Inventory valuation

Edward had experienced concerns within an overseas subsidiary of a large privately-owned company. Although his UK headquarters were not directly responsible for the financial statements of the subsidiary, he described them as being "indirectly responsible" and he had queried a stock valuation that he was not "comfortable" with. The matter was ultimately resolved, with the president of the overseas business being fired. However, the process had been very difficult and he was glad that he had kept copies of all correspondence relating to the issue so that he could show that he had raised it.

Supplier relationships

Among several issues raised by Jill that had happened quite recently were some relating to gifts and hospitality. She described a range of behaviours in her immediate boss including failure to record gifts from suppliers in the firm's gifts and entertainment register. Gifts such as hospitality at the local football club should have been recorded if over a monetary threshold. The firm had a code of conduct for the treatment of suppliers and conflicts of interest which Jill believed her boss was breaching:

He either had suppliers who he would bash or suppliers he would have close personal relationships with...he would regularly go out for drinks with...we were always using a (particular supplier name deleted) and other staff would say "that's because it's his mate". So business decisions based on personal relationships was wrong.

Disclosure issues

Colin recounted an instance where he worked as a contractor at a company for around six weeks per year for over a decade early in his career, hence had a close knowledge of the firm in question. His role was to help prepare the statutory accounts and one of the areas he was responsible for was associated companies, of which there were many, one of which in the year in question became a subsidiary. Colin became concerned that the disclosure note for the statutory accounts was insufficiently detailed and potentially misleading. Colin initially spoke to others working on the accounts in the organisation, then raised the issue with the external auditors. When it was clear that no changes were going to result from these conversations, Colin raised the matter with the head of the accounting function but again no changes were made. Becoming increasingly concerned, and in view of the accounting deadline looming, he decided to escalate the matter by contacting someone he had known for several years who was a main board director. As it was the weekend, he had to contact this director at home, something he was very nervous about. He described the enormous impact that the whole experience had on his well-being. The director he had approached did deal with the matter, however, and changes were made to the disclosure note but this would not have happened had Colin not spoken with this board member.

Tax issues

Tax issues were frequently mentioned. Two interviewees worked in the area of tax. Sally is an experienced professional at a fairly large national firm and Jim is a partner in a mid-tier regional firm. In addition to these two tax specialists, other interviewees mentioned tax issues that had arisen in their more general accounting roles.

Tax avoidance schemes have received considerable adverse publicity in recent years. Sally said that she "*had never promoted any tax avoidance schemes*" while Jim said of his firm that "*we don't undertake schemes*". He continued that there was only one client in the office "*that still does what I would call schemes and that's up to him, he doesn't get them from us. We haven't invented any. Well, that's up to him. We just, like, process, things*". This distinction between inventing a scheme and processing the tax is interesting. Jim stressed that "*we put whatever we need in terms of disclosures on the appropriate return*" and, whilst saying the situation was "*unsatisfactory, don't enjoy it*", he continued "*you have got to help, you can't say to the client, "Well, no, sorry, we are not doing this"*". For him, the client's need for a professional adviser prevailed.

With some tax issues, there were disagreements as to approach. Sally recounted an example where she had challenged a particular tax treatment that affected a number of clients. She did discuss the treatment with colleagues, including managers, but said that “nobody really wanted to side with me because the tax partner had said ‘this is the way it’s done’”. Despite this, she said:

I made my stance quite clear, I made it known and I filed the returns under protest on the basis that I didn’t agree with the tax treatment. But it was clear what we were doing and we’d given the revenue the chance to enquire into it and to disagree - and we had enquiries into every single one of them. So I did feel validated by that. I can’t say I ever got any acknowledgement that I’d been correct and the partner said ‘The revenue are wrong but we’ll just concede the points because it’s not worth our time’.

Other situations were more clear-cut. Jim recalled a situation a number of years previously where a partner – “one of the straightest men I have ever dealt with” took a clear stand:

I do remember an individual who had a large back garden and they thought, ‘Well, we have got planning permission to develop that, to build a house in the back garden and sell it on.’ And, he came in for a meeting with our Senior Partner in a previous firm and I, and he basically said, ‘Well, look I am in construction myself, what would you think if I made up various subcontractors?’ And at that time, we had to deduct amounts from payments of sub-contractors. But he said, ‘I am a 40% tax payer, if I was to make up fictitious sub-contractors, deduct 25% from them for these fictitious people and there is a return in it for me, what would you think of that?’ And... the Senior Partner said, ‘We couldn’t act for you on that basis.’ And he said, ‘That’s fine, I have asked the question, you’ve answered it. Fine, let’s move on.’ And we did act for him and he didn’t do anything like that.

Other examples recounted by Jim related to the tax treatment of shares (purchase of own shares, share-for-share exchanges, share options), VAT and remuneration. He was not sure whether all of the instances he recalled were really ethical issues, especially if they related to errors or matters that had been overlooked. His view with any errors that happened in the firm was clear – they should not be hidden, rather the firm should admit to the error and deal with it. He felt that trying to “hide something under the carpet” was “not a good culture to engender in the place” and breeds a culture where people think they can themselves do similar things. He referred to a situation where he had admitted to not being aware of something and was told by the client that “We really respected you for that”, so that the matter “actually worked to my credit rather than against me”.

The above tax issues occurred in professional practice but tax issues were also a feature of concerns within industry and commerce. Jack recalled a situation where a company’s going concern status depended upon the receipt of tax credits for research and development expenditure. Edward found that most of the issues he had seen were “around trading overseas, bids tenders, tax”. He had raised issues with the tax team at the UK headquarters relating to invoices for refurbishment of equipment that had been raised through an overseas subsidiary that he hadn’t felt comfortable with. Of this experience he said:

That one never resolved because I raised the issue and it got taken out of my hands by more senior people and I wasn’t, ultimately, I wasn’t comfortable with the outcome. And I think I was marked for that one...

This shows that it is not easy to raise issues. Of relevance here is that the issue was not Edward's responsibility as it did not happen at the subsidiary he was responsible for so he felt that all he could do was raise the issue with the relevant people:

I didn't have any authority or clout to overrule them, I just made sure I didn't do anything inappropriate. Should I have done more? I'm not sure about that one, maybe I could have done in hindsight... If I had been directly responsible I think I would have behaved differently. But I wasn't. So that was quite a difficult situation."

Bruce had also seen a lot of arrangements overseas that were made to avoid tax. A pragmatic approach was adopted to get to a position the firm found acceptable:

The view that we took was the history of so many of these businesses was that, that was how it was. If they acknowledged that and they were opening a line of discussion perhaps through us with the authorities to sort it, then we went with them going forward. If they wouldn't or were continuing with those practices then you just wouldn't find them acceptable as a client.

Morven's most recent dilemma involved the tax treatment of a severance payment to a senior member of staff. The firm wanted to treat it as a non-taxable redundancy payment but the person in question had not been made redundant so Morven's view was that it was indeed taxable. She had persisted with her view and eventually advice was sought from tax and legal specialists who confirmed her position but the experience had been "horrendous", causing her "huge angst". Therefore, although she was vindicated, she was still left with considerable stress, feeling "physically, emotionally, mentally drained".

Other issues

A range of other issues had been raised by interviewees, including money laundering (Sally), business owners wanting to put personal expenses through as business expenses (Edward and Jonathan), the creation of false payslips for a senior person in a company in order to facilitate getting a mortgage (Jonathan), a case of dishonest claiming of grants where the money was not used for the stated purpose (Max), a funding request based on erroneous financial data (Max) and a supplier conflict of interest (Max). Max's examples included ones that he had reported externally. These are covered further in Section 5.3. Sections 5 and 6 of this report contain further examples of technical dilemmas encountered by interviewees. In short, technical issues abound and persist.

4.5 Behavioural issues

Technical issues predominated over behavioural ones in Molyneaux (2008) and ICAS (2009) but behavioural issues were raised frequently by interviewees in the current study. The increasing prominence of behavioural issues accords with recent surveys carried out by Elizabeth's organisation in the field of business ethics, where the majority of issues being reported were "behavioural, even harassment and things like that". She felt that such issues served to shine a light on an organisation's culture because "if people don't feel that they can challenge behaviour, what does that say about your culture?" This section shows the wide range of issues that were raised by interviewees when asked to talk about ethical dilemmas they had experienced. In other words, the interviewees identified these issues as ethical in nature.

Pressures from clients

Ethan recalled an instance as an audit manager where a client tried to put pressure on him to sign off on some regional development grants. The client firm was experiencing cash flow difficulties and Ethan was asked to meet with the Finance Director on a Saturday morning to discuss the issue. Ethan did not believe that there was sufficient evidence to show that the relevant goods had been purchased so he felt that:

Pressure was put on me to say 'look just go and release these grants'. I mean I had a very good partner in this engagement and we discussed it and we said no. We then wrote to internal audit at (firm name deleted) and immediately they then jumped in to see what was happening at (firm name deleted) and there was a fraud pertaining to assets that they were claiming grants on. We didn't necessarily pick up the fraud, I keep saying that to people, we didn't pick the fraud up but we didn't think there was something right.

Max had experienced a conflict of interest situation where pressure was not coming from the client as such but via the client's architect. Max had set up a company in the early 1980s with some colleagues and remained there until his retirement. He described an occasion when the company was contracted to carry out refurbishment work on local authority housing. A requirement of the contract, as signed off by the architect, was the purchase of a particular make of cleaning kits. These kits were being sold for considerably more than the usual price for such items and Max began to investigate. He found that the company that manufactured the specified kits was actually wholly owned by the architect. His dilemma was that he was told that if the kits were not purchased, this would breach the agreement and the company would not be paid for the refurbishment work it had done. In Max's words, he thought:

Somehow, we have to raise this because there is no way we are going to be party to this transaction because I think it is improper. Equally I can't have a situation where we are left, albeit quite understandably, high and dry for money.

He contacted ICAS, whose assistance he described as "phenomenal" and a way forward was discussed. The architect lost his job, Max's company was able to fulfil the contract by buying cleaning kits from another supplier at a considerably lower price and "everybody was happy". He describes his dilemma as:

So, the ethics were, I could have just shut up, placed the order. We'd have got paid plus our margin on it and no one would have been any the wiser. But it would have been completely unacceptable. And that was it. So, it had a happy ending, but it might not have, for a few days, I was fairly concerned I might not have a business.

Pressures from senior managers

Sometimes things can be said that place people in situations where they feel they are being coerced. Matthew had experienced an uncomfortable situation where he had to respond to circumstances very quickly. He was attending a bank meeting with a director of a company where he was acting temporarily as an assistant to the Chairman. They were to present a cash flow projection to the bank to secure funding and a key figure in the cash flow statement related to a building valued at £2million. As they were walking in, the director said to him:

'Matthew, the building's only going to get £1 million, not £2 million.' As we were walking in. And I had about 10 seconds to think about what to do. No pressure. They're all there, all four of them. And I wish I could have got this on YouTube or

something because it would have been a lovely sort of stage play for a young Chartered Accountant. I had 10 seconds to think what to do. So, I thought, 'Right.' And I said, 'Yes, good morning gentlemen. Yes, I have, this is the cash flow.' And it was all passed round. And I said, 'Now gentlemen, before we all start, I would just like to say there will be lots of assumptions you will be getting into, but there is a property in here, you'll know the one. And it's in here at £2 million and I'd just like to say we've been getting more up to date information on the market value and it's looking a bit toppy, at £2 million. And we were really thinking, it might only be £1 million, but you know it's not very clear and we are going to work hard to get as much as we possibly can for it. But I thought I better be really up front with you straight away, and tell you there's a really big risk on that two, that it could be a one.

He continued:

I didn't say that I had had it 15 seconds before. And this guy, he was – well you know what he was at – he thought I wouldn't tell them. And he would have had one over on me actually, ...There's no love lost after that, because he was definitely trying to set me up, I was being set up and he didn't think I'd do it, and I did.

Matthew also recounted a story from his career where he had felt it was important to keep to his own value basis, so as not to compromise himself. He described a situation when working on an interim assignment where he was going to Los Angeles on a work trip and intended to pay for his wife's flights himself as these were personal not work expenses. The man he was working for, an ex-partner in an accountancy firm as Matthew recalled, said to him:

'Just put your wife's flight through the business, Matthew'. And it wasn't his business, you know that's the sort of thing if he owned it then I suppose that was within his discretion. But he certainly didn't own it and I said, 'No, thank you'. And being slightly cynical, quite mature at that time, it did cross my mind that to some extent you might assume it is a generous act, that he would sign it off. But I felt that had I put a foot wrong later on in the organisation, that it would have potentially... You know, if I said, 'I don't approve of this' or 'I don't approve of that', there'd have been a weakness there that could've meant I was out the door in five minutes.

In advance of our interview, Edward had noted down some vivid examples of things that had been said to him at a variety of organisations over his career:

So, when you're told 'No one will know'; 'Everyone else is doing it'; 'That doesn't apply'; 'We're too small'; 'There's pressure to succeed'; 'We're competitive'; 'The competitors are doing it'; 'We have got to meet budget'; 'There's jobs at stake'; 'Your job's at stake'; 'You don't want to let your family down'; 'You don't want to get me fired, do you?'. I've had all of those ...None of them are made up by the way, they are all real.

The above situations are examples of senior managers trying to put pressure on interviewees. These people did not refer to this as bullying but rather as indicative of the pressures people are under. The dividing line between such actions and bullying is not altogether easy to define, as the next section illustrates.

Bullying

Laura said that she had never witnessed “bullying in terms of financials” but she had “witnessed bullying in terms of running teams and getting things done”. From a management perspective, in practice, distinguishing bullying from tough, but non-bullying, behaviour can be difficult according to Finlay:

Where is the difference, where is the line between a tough, demanding, Chief Executive and bullying on a scale which is gross misconduct? Are we just over that line, are we miles over it? Actually are those complainants just so weak and so lazy that they need to get pushed into performing a bit better? So gauging that is actually quite difficult.

Elizabeth agreed that perceptions can vary, with what is regarded as bullying to one person perhaps being regarded as strong management to another:

What do you do about people who feel they are just being tough managers in a tough time, and now in the current climate they feel that it is unjust that they are being called up as bullies when they feel they are just being fair.

This suggests that bullying may sometimes be a matter of interpretation, dependent upon perspective. However, a number of interviewees reported behaviour that they felt clearly constituted bullying. In Belinda’s case, it was after the event that she characterised it as bullying. She described her work environment in a financial services organisation in the years immediately preceding the financial crisis in 2007 as “brutal” and “aggressive”, with a boss who was “a known tyrant” who “dumped a lot of work on me at the last minute” during a regulatory visit and “they threw loads of staff at me overnight and I had to suddenly manage them all. So, it was very stressful”. This had a negative effect on her health “and it got to the stage where I was having heart palpitations, my arms were going numb, I was having panic attacks”. Reflecting on this in the years since this time, she felt that:

It was a bullying culture actually now that I reflect on it. And if I’d raised that, I would have been - when I say ‘dismissed’, I don’t mean I would have lost my job - my views would have been dismissed, I am sure of it.

In Jill’s case, she felt at the time that her immediate boss exhibited a pattern of sustained bullying and egregious behaviours. On first meeting him, she did have a different view but that soon changed:

He was known to be a very strong character. I did know that he scared a lot of people and he had quite an abrupt way with him. I initially thought he was just very determined, kind of liked his own way, and initially I thought he was quite a caring character and he was quite supportive. That was my initial view. When I started working with him I sometimes actually in my mind think about it as, if I was to go in and do an internal audit, what would be an audit risk and he would have been a big red, shining, flashing light. The man had a shredder at the side of his desk and he came into work at 4 in the morning, I made some notes looking back about what concerns I started to have. His behaviours were bullying, they weren’t determined or strong, they were bullying. Very Jekyll and Hyde character.

She went on to recount a variety of behaviours including lying, sending then deleting emails, having meetings with people who would leave his office in tears, favouritism, sexual impropriety with staff and using redundancy as a way to punish staff who he was displeased with. She described the atmosphere as a “culture of fear” and “really, really toxic”, with threats and repeated insidious comments, and shouting. Nothing in her CA qualification or her life had prepared her for such behaviour but she eventually decided to speak up, despite being extremely fearful of the consequences.

Work pressures

Sebastian works for a large accountancy firm where he described the culture as “very much full-on” with a “work hard, play hard” mentality, characterised by “long hours, deadlines, a lot of travel, often at short notice”. He enjoys his work but having become a father around a year ago he is seriously questioning whether he wants to remain there long-term. The first issue that he raised was the enormous demand on his time made by work including working in the evenings and weekends and there was an expectation that “in client-facing roles you have to be available effectively at all times”. This was in an environment where flexible working was being promoted but he felt that although “they have all the policies”, there was a gap between the rhetoric and the reality. This was exacerbated by the “expectation that you will socialise” outside work which he acknowledged built strong relationships but at a price in terms of family life.

The gap between rhetoric and reality was also raised by Diane who had worked with a large accountancy firm for around eight or nine years and said that, in all that time, she had felt largely comfortable with the values of the firm except in one respect. In theory, the firm promoted flexible working but the reality was sometimes different:

But then if a client was a bit more old-fashioned in that respect I didn't feel that they kind of pushed the client enough. It was very much if the client wants you there Monday to Friday, 9-6pm then you are expected to be there. Whereas I felt they could have been a bit more challenging of the client in that respect in line with their values. It isn't a massive ethical dilemma but in terms of putting their value into practice I suppose.

Alan had also trained and then continued to work for a large accountancy firm until recently. He had loved his job and the working environment. In his words:

I loved it, I really loved it. It was amazing because I worked with brilliant people, I got so many opportunities, and I progressed so fast. Within 4 years there I'm sitting in meetings and presenting to the FD of a FTSE100. That's amazing - you could go into any other graduate job and you would be 15 years before you got that kind of exposure.

Nonetheless, he described the work pressures as being a form of “abuse”:

I don't know what the morals are in saying to somebody ‘well you're going to be working 70-80 hours through busy season a week when you're contracted for 35, you're paid for 35' and yet this just happens as a matter of course all the time. And I've seen it lead to breakdowns, I've seen it lead to tears, I've seen it lead to people being off work with stress, I've seen people physically deteriorate over the course of November to March, I've seen them gain weight, I've seen them lose weight, I've seen them go pale and gaunt and on top of that it just cannot be good for the output that you're trying to generate, which is a thorough audit of some of the most systemically important and connected and precarious entities in the UK economy and you've got some wee guy doing a first cut of the going concern work who has only slept on average three hours a night for the last 2 weeks.

Looking back, he says that during that period he was “a shell of a human being” and finished by saying he was “so much happier and so much healthier now” that he had left for a position in industry.

International and cultural differences

A number of interviewees had experience of either working abroad or dealing with other countries. Daniel described situations where *“a lot of businesses seemed to keep two sets of books. There were the ones that told them how the business was going and the ones they gave their accountants”*. He said that doing business in some countries was not a level playing field:

We became very conscious that doing everything by the book meant that you weren't competing on a level playing field with everybody else. Because if suddenly everybody's full salary was being declared and you were getting your VAT right and all this sort of thing, it was very hard to, and you weren't paying inducements to various people and buyers and different things, yeah you were... you struggled. And that definitely seemed to be the case. So, it was quite challenging to be, sort of be, in that situation where what seemed to be normal wasn't what I'd have been comfortable with. So that was definitely challenging.

He felt that it was vital for anyone considering working abroad to take time to get to know the culture beforehand. Matthew had experienced a similar situation where he had no actual evidence but believed that there were irregularities relating to payments to agents and contractors. These were taking place in a country known for corruption and he said the situation *“did cause me quite a lot of worry”*.

Another matter remarked upon was the tendency of some nationalities to be very polite even when unhappy with something, which could result in misunderstandings. Abigail remembers being told by a colleague while working abroad that *“we don't necessarily vocalise as you would in Britain”*. She also remembers raising issues and thinking *“You're not getting it. You don't seem to be behaving the way I would think you would if I thought you were getting it”*. As well as cultural education, she felt that ICAS members should have more psychology training in order to recognise their own personality style and how it changed under stress. She had undertaken such training and said that *“it helped because we could apply that to some cultural differences that we had seen”*.

International differences were also highlighted by Alexander who oversees the speak up helpline at his professional body. He has never received a message from some parts of the world, probably, he speculates, *“because people are following other custom or practice or protocol”*. International issues manifest in different ways:

In certain parts of the world actually speaking up against somebody that you work with in terms of an office environment, particularly in that hierarchy, can be taken very badly if it comes out that you are the one who has spoken up, or blown the whistle. That can be quite difficult. Equally in other territories people are quite willing to use it in a sort of slightly manipulative sense to raise grievances, to raise complaints, and sometimes just to cause trouble generally for other people in the organisation.

From a professional body perspective, Rose had also identified international differences:

The appetite for speak up is much greater in the UK, it's not so much internationally. Mostly maybe because they're not quite there yet, there's not regulatory impetus behind it. Or maybe because there is still a bit of a culture of fear when raising concerns, it's a scary thing to do and it's important to acknowledge that.

5. Actions

5.1 Speak up

Meaning and nature of speak up

Elizabeth likes the term 'speak up' because "often the people that raise concerns are seen as troublemakers" whereas speaking up can be viewed as "just offering feedback", meaning that speaking up should be viewed as "business as usual" rather than something extraordinary.

Interviewees were clear that speaking up was difficult. Belinda said "I didn't like doing it" as it felt like "clipping on a colleague" but she went ahead because the situation she had seen "was just unethical and it exposed us to censure".

Abigail had raised an issue while working for a bank and said that, although, the bank had said it encouraged speaking up, in practice, this had not been welcomed, saying that it felt like:

You're only allowed to speak up if you are saying, 'Completely agree with everything'. That's not speaking up to me. Speaking up is saying when you feel uncomfortable with something or you don't agree.

She continued that the way in which someone speaks up is crucial and this is something that people need to learn about:

And this goes back perhaps to your style about how you do it. You perhaps need the advice about how to raise the point and I don't think it matters how junior, how senior you are. That can still be really difficult because you have got this need, you feel you have to say something but sometimes you don't know how to go about it. And sometimes that's purely because you have got to gauge the person you are going to speak to. And so, for me it was finding the person that I could go off and talk to and get some support. And so, that was the Head of Compliance that I spoke to.

From an organisational perspective, Finlay said that it is important to deal with issues at the earliest stage possible, so people need to be encouraged to speak up:

My view has always been at the top, to say, if we have got a problem get it out on the table now because it is easier to deal with now than it may be in fifteen years' time when these things have got long tails. So I think giving people that opportunity that you know you are not going to get fired if you put something on the table... you want to encourage people that if there is a problem get it on the table early because there are issues all over the place and you want people to feel they can air these. And it is a lot easier for an organisation to deal with it now than at a later date.

Likewise, Ethan said that at one firm where he had worked "surprises were always the big no-no". The culture was "don't hide anything, get it out". He adopted this with his own team, trying to foster an "open environment":

The other thing I used to say to all my staff was if you tell me about it we can try and deal with it, if you keep it to yourself, I am going to get a surprise at the end of the day and then I am going to get my backside kicked and then if my managing director misses something he will get his backside kicked. So get these things out.

Despite the sense in dealing with issues at the earliest opportunity, Robert's experience of working with a whistleblowing charity is that:

Only around 20 or 30% of callers come to us before they have raised a concern. So the vast majority of people who come to us have already acted in some way. The vast majority of whistleblowers that contact our advice line have tried to raise it internally and those numbers don't alter if it's a professional body, if somebody has a professional qualification... we also found out that we were looking into our case files, a lot of people come to us round about the six month mark after the concerns have been witnessed. So they are not witnessing the concern that week and then calling, looking for advice from a charitable source. Sometimes there has been quite a time gap...

This does not mean that people do not speak up at an early stage but it does imply that they often do so without necessarily seeking advice from a specialist source. Greater encouragement could therefore be given to people to take advice from specialist whistleblowing charities before they speak up internally, an action that might make it less likely that they will later feel the need to whistleblow externally.

Consequences of speaking up

Speaking up at an early stage is no guarantee, however, that the matter will be resolved. Colin's experience shows the efforts that some members have had to go to raise issues. Colin first raised his issue internally with other colleagues at the same level, essentially in order to sound them out and get some consensus. He then spoke with the external auditors and then with the head of the accounting function. When these conversations had no effect, he escalated the matter to board level and at that point the issue was dealt with. Colin had to be quite tenacious in pursuing the issue. This was a stressful experience. He refers to feeling "paranoid" but also "nervous about getting in touch with this guy" and "it did take some courage to go down that route". His eventual conversation with a board director led to a satisfactory outcome and a key feature is that he had raised the issue with someone who really had no option but to investigate (even though this instance took place before the current corporate governance regime had been introduced and this was not his primary motivation at the time):

Thinking about it, ok it's back in whatever it is, 20 years ago, more than that. To be honest being a main board director, if somebody like me did that to him he's going to do something about it at the end of the day. He would be exposed significantly if he did nothing about that. So, he had to. But that probably at the time wasn't part of my consideration. And that I did feel concerned that I had to get in touch with him. So there was an element of courage but it was more this paranoia, 'Oh I need to get rid of this, some of this bloody problem' at the end of the day.

Reactions to speaking up varied. Sally had raised two issues, one relating to tax treatments and the other relating to money laundering. In the first case, she said that she felt that she had been "dismissed because of her lack of seniority" while in the second she said she felt as though she had "marked her cards by speaking up". In both cases, her actions had been vindicated but she still felt "like I'd been labelled as a troublemaker for raising the concern".

Likewise, Jill had reported her immediate superior's bullying behaviour and relationships with suppliers but found that neither her reporting via the firms' speak up line nor direct reporting to Human Resources had ended well. Speaking to another senior member of staff at a later date was initially more fruitful. By chance, Jill spoke to a senior staff member in a related area to see if she could move to a different part of the business and this person had acted on the concerns but when Human Resources became involved again, the matter was closed. Jill found herself regraded downwards, had her salary cut and had some of her responsibilities taken away. Eventually her situation took its toll on her health and she had a period of sick leave. On her return, she moved to a different department where, despite not being on her old grade, she is happy in her work. Meanwhile, her boss had received another promotion. Like Sally, she felt that the fact that she was in a lower grade than the person she had reported had worked against her. In her words "*management will always protect the senior. You're the easier to get rid of. You're so low down the organisation, you don't have a voice*". Despite her experiences, Jill wanted to remain at her employer. She has tried to see her situation as a learning experience:

I felt empowered to go back to (firm name deleted), I love my job, I've got some real good strong friends there. So I've taken it as an experience, I've learnt from it and I could work for anybody. If you've worked for the devil, I don't fear working for anybody.

Joshua had also spoken up but then was fired three weeks later. Like Jill's firm, his had a whistleblowing helpline, safeguards in place, and he had received extensive training in ethics at the company, so he felt that it would be safe to speak up. Instead of using the helpline, he contacted the head of ethics directly. He had a variety of concerns around "*pressure on corporate targets, pressure on individuals, worries about personal bonuses, personal promotion prospects, all of those sort of things*". The part of the firm that he was in was growing extremely quickly, with aggressive sales strategies and targets and he had particular concerns about some aspects of the business model operated by his line manager:

He was spending money and I was having to explain to people why money was being spent and he wasn't telling me why. And in some cases I wasn't even aware he was spending money until it had been spent..

The head of ethics listened to his concerns and Joshua was pleased with how the matter was investigated as "*it wasn't swept under the carpet*". However, the result of the investigation was that the file was closed and no action was taken. With hindsight, Joshua reflected as follows:

Did I wish that I could have done it differently and that I had had a sufficient relationship to be able to talk, that I had had a sufficient voice at the table to at least be able to announce some of this? Oh yes.

However, in an environment that he described as "*closed*", "*secretive*" and "*dysfunctional*", he hadn't felt that this was realistic. He therefore did not challenge the outcome and his sacking, he signed release documentation and his thoughts on this show how complicated these situations can be:

And one of the things that whistle blowers don't necessarily talk about is you have to live your life. And so, if I didn't sign the release I didn't get paid the severance package that I was getting paid, and if I decided to make a fuss about this and fight them on this and say this is retaliation - it is not just that there is

information asymmetry, it is like the large corporations and individuals - it is time, money, power asymmetry as well. And I took the money and ran. I thought about that, it was a conscious decision. But at the end of the day the perverse, stubborn, Scot in me was very much, you know, what I want to do is take this and ram it down his weedy little throat and in the fantasy life that works very well. But you've got the mortgage at the end of the month.

He mused about whether things might have been different if they had acknowledged his actions positively:

I don't know what would have happened if they had said thank you for bringing this to our attention, what was happening was against (company name deleted) policies, (boss name deleted) has been told and it was in the sense of (the company's) eyes I had done a good thing as opposed to just taking advantage of a policy. I don't know if I would have been let go at that point. But that is hypothetical and ...that didn't happen to me.

Speaking up is therefore a process with complex challenges and risks, as Elizabeth recognised, but her view is that if an organisation has a speak up system, or claims to value speaking up, then it is important to do so. She says that in the surveys of speak up practices that her organisation runs:

One of the questions we ask them is, 'Why didn't you raise a concern?' And a fair few say, 'Because I didn't think anything would happen.' And that's almost worse than detriment in a way because then the apathy seeps through. And we know that employees, no matter what posters you have on the walls saying, 'Speak up, we're listening', employees will talk to each other and they'll say, 'Don't bother calling the helpline, no one's going to do anything'. And that's far more detrimental than not having a poster there at all because cynicism pervades.

Positive aspects

Although speaking up can have risks, some interviewees had seen positive outcomes too. Adam had raised some concerns with a bank "that work might not have been earned or awarded on an even handed basis":

That was an instance where speaking up actually had the desired effect. It maintained our credentials professionally and ethically with the client, it saw to the cleaning up of a situation which was a bit murky, and it meant that going forward (and it might not be that important going forward but if (the bank) had chosen not to give us any more work because that had happened once and therefore it might happen again) we couldn't have complained. But in fact it established the fact that we were prepared to be honest.

Matthew had also been in situations when acting on an interim basis where he had spoken up, informing banks of malpractices. In one case, the bank was making loans to the firm on a daily basis on the value of invoices sent out to customers but Matthew discovered that the invoices were actually only sent out at the end of each month, a practice that Matthew's boss at the company knew about. Therefore:

If the company had gone bust on the 30th of the month, the bank would have lent a lot of money against sales invoices that weren't truly sales invoices at all, they were just little aggregations on a computer screen. So, the bank had lent

on the 30th of the month, £2 million of unsecured finance to the company that they thought was secured. And I'm very pleased to say I bypassed my Managing Director, went to the Chairman, and told him. And he said, "No problem Matthew, thank you very much for telling me. Go and tell the bank straight away." So, I went and told the bank.

In this case, both the Chairman and the bank were pleased with the information. Matthew saw it as a case of "holding the line on independence and whatever, because this chap was my boss - obviously dropped him in it". He continued:

It built tremendous confidence between the bank and the company. And within six weeks we were out of the A&E department at the bank and trading successfully with a normal facility very quickly. So, the openness of disclosure was well received by the Chairman.

Resilience and confidence

Logan recalled several experiences of speaking up internally both in his work role in a large accountancy firm and, more recently, in a position he took on in retirement. He said that speaking up in this way had affected working relationships. In one situation he said that he and his partner had not spoken again after a difficult meeting but "I was able to take it on the chin because I was resilient in knowing that I was right". He attributed the roots of this resilience and tenacity to a first formative experience on a particularly challenging audit:

I think the (name deleted) experience was the one that made me resilient. It's where I saw very senior partners...so these are people I respected and therefore I learned resilience working with them I think and I learned that if you are right and you take counsel and other people say you're right, you stand your ground.

He continued that resilience:

Comes I think from having trust and confidence in the people around you at the same time as being a little bit scared, you've got to be 'am I right, have I missed this, am I totally wrong?' you know. Question yourself but willing to have others question you as well.

In his retirement role, where he raised issues with the charity regulator, this resilience was also required on a number of fronts, ranging from amassing evidence to reporting the case. Such tenacity is not always welcome, as evidenced by him being told that someone had said "that guy (Logan) will never be on this board because he asks too many awkward questions" and others had asked him, "Why are you doing this? You'll never get another charity role".

Laura also used the word "resilience". Reflecting on her experiences of speaking up about a colleague who was inappropriately claiming expenses, she said that speaking up and listening were really important but people needed to know that they also needed to be resilient:

...encouraging those that are speaking to be really resilient and to know that at the core they are doing the right thing. I think that's what would stop a lot of people speaking up because they weren't resilient enough and they couldn't

necessarily cope with the fallout and so I think that there should be a real theme that runs through ICAS training, never mind everything else that I've talked about resilience and helping recognise that if you're resilient that it puts you in a better position to do the right thing.

Speaking up is therefore difficult and not without risk. In Sam's view, more needs to be done to encourage ICAS trainees to speak up and challenge clients throughout their training. He reflects on his thoughts about audit trainees as follows:

Through my own experience being on the other side of the fence since I left practice, so in my ten years at the (name deleted) company I was serviced by (audit firm name deleted) and in those ten audits (and we also had internal auditors as well within the business on two or three occasions throughout every year), so over the ten years I must have met about 40 or 50 different audit juniors, seniors and I can count the fingers on one hand how many had the confidence to challenge me as the decision maker in the business from a finance perspective. And I still hold that lady in high regard because she had the ability to do it and it wasn't necessarily the age gap. It was just the fact that she was confident in her ability and clearly been skilled or trained or whatever ...she was able to go toe to toe with me and I really respected her for it.

Anonymity

A number of interviewees raised the issue of anonymity in speaking up. In general, there was a view that the natural tendency would usually be to "pick up the phone and speak to the managing director or speak to somebody in the field that they think they can trust" (Elliott). Nonetheless, some employees were of the opinion that offering anonymity is essential, though some felt that the practicalities depended upon context. In smaller organisations, it would be obvious who had raised an issue because of the small number of possible sources.

Anonymity can pose additional challenges for senior management and non-executive directors, however, as Alexander, who investigates speak up reports at a professional body, explains:

An example might be somebody emails in and it is from an email address that they have created for the purpose of emailing, it might be Donald Duck or John Smith or something. So immediately you realise it is anonymous... I understand why people do it, I think what happens when things come in anonymously is it kind of makes people quite twitchy here, so if I need to discuss it with somebody confidentially within the organisation to try and pursue the claim, they sort of become very direct towards trying to find out who this person is, or interested, for example, 'It could be so and so who left or it could be x, y and z' because they left unhappily, which is very counterproductive. So I think the anonymous side of things does make it very, very difficult to kind of grapple with the investigation to pursue something. And then when you get back to them at the end of the process and you email back to John Smith or to Donald Duck you might not hear anything back so it leaves everybody kind of feeling quite sort of dissatisfied about the whole process really.

For Alexander, the issue is one of trust:

You have got to try and establish a relationship of trust with somebody if you are going to deal with the matter they have raised effectively. But if they are anonymous and you are just communicating through an email then it is almost impossible to establish that trust.

Finlay has also received anonymous letters. He explains:

Well over the years - which is quite a lot of years - I have had two letters sent to me as the Chair of a business and they have both been anonymous with some quite serious accusations in there. And these are the worst kind to receive because you can't talk to anyone... You need to investigate it which takes up a lot of time and resource and it may be real in that someone in the organisation feels they can't speak up so your procedures are not good enough.... So that is a sort of practical issue. And then it may just be a disgruntled employee who's left and felt a bit badly treated, and is just causing some mischief. So these are the worst types to deal with but you have to investigate them.

Finlay continued that the most challenging of all are letters sent to shareholders or the press because by that stage the matter has generally escalated and therefore his views stated in the quote above of dealing with issues at the earliest possible stage no longer applies. He describes his acid test as being "how would this look in the press? Could we defend it?" In the case of one of the letters, sent to a key shareholder, Finlay describes receiving the letter from the shareholder as:

A very difficult moment because the letter was just given to me over a desk and he said 'Could you read that'. And then five pages later I said 'Wow, is this the organisation that I am chairing?' So it was a pretty uncomfortable moment.

Despite this, his reaction was that "they need to be followed up and the organisation needs to see that they are being followed up".

The accountant's role in the investigation

An aspect that was raised by Isaac is that an accountant may be asked to investigate. In one instance, he came across the case of a colleague who had claimed to be a chartered accountant but had resigned from membership several years previously, before joining the organisation in question. The holding of a professional qualification was a requirement of the job and this had been claimed on the colleague's application form, so Isaac was concerned because this was a clear case of gross misconduct. In another example, a systems colleague had accessed staff emails in order to try to find information about specific pay rises. This action only came to light inadvertently and the person was immediately suspended. These cases show that ICAS members may come across cases of misconduct that are not necessarily accounting related but which require investigation. In the first case, Isaac was an investigator and in the second he was a witness. His over-riding feeling in both was of sadness because the individuals had "taken advantage". In each case "it didn't make sense whatsoever...It beggars belief, it really does".

Morven had also been called upon to investigate issues on several occasions. One had been handed down to her by the CEO at her firm and others had come to her from the IT department. She said that this can be difficult because you become “*the hate figure*” in the organisation and subsequent working relationships can be affected because, in a small organisation you still have to interact with the same group of people. This also applied where she had spoken up about issues herself which had brought her into conflict with others. She was quite clear that in all of the situations that she had encountered:

My life would have been far, far easier if I had never done anything because I wouldn't have had the conflict, I wouldn't have had the internal turmoil – but I would never have been able to live with myself.

5.2 Listen up

Positive experiences

Whereas speaking up was frequently mentioned, listening was raised less frequently. Ethan did raise listening as an important element so “*the person that is raising the matter is comfortable that the other person that is listening is knowledgeable about their situation and not just making up an answer if you follow*”. Here, listening was related to making the person “*feel comfortable*”.

Alan had a situation that had made him feel very uncomfortable. He had been asked to go to an overseas country and, although the opportunity “*sounded brilliant*”, when he did an internet search he came across information about some human rights abuses and he did not feel that he wanted to go to this country. He said that although the conversation had not been difficult in itself, it had been difficult for him to raise it:

It wasn't a difficult conversation but it was difficult for me to raise. Once I'd raised it I realised it was absolutely fine and realistically anyone is going to do that job but I felt a little bit silly raising a concern like that. I wasn't sure if I was being over sensitive.

His fears were allayed by the fact that the firm “*were completely understanding*” and said not to worry as they would get someone else, “*so it wasn't really a difficult thing at all once it was mentioned*”. In his current role, working for a family business, listening is also important to him as he says that he has “*enough clout to be able to say to the owners 'no' and they listen*”.

Edward also mentioned listening, this time in the context of describing an organisation that he had really enjoyed working for, where “*their integrity was key to their reputation*”. Here, listening was part of an effective overall culture:

The people that ran the business were very fair and equitable and correct, and they listened and if I raised a concern they immediately took that on board.

Edward also recalled a particular individual who was happy to listen, who acted as a “*sounding board*”, support which Edward felt was very valuable. He would ask:

'Where are you on the line (Edward)?' He said, 'Are you over it?' And I said, 'No but I am really close.' He says, 'Right. I mean, he wasn't a CA, he was just a good guy, who's a good person, who had my best at heart, not just in the business but as a person. And we would have those discussions and he was quite supportive of me, wouldn't always fight my battles for me but he did listen.

Negative experiences

Joshua's situation was different. He had raised issues concerning overspending on the part of a more senior colleague and said "there was no listening to me". Morven distinguished between listening and acting. She remembered a senior member of staff who avoided conflict:

He didn't like situations of conflict. So, he would be very empathic. You know, he would be listening and trying to sort of like remove the emotion and the stress from the situation in a very quiet voiced manner but would never then deal with the situation.

So when she raised an issue with him, "the issue was never resolved but, you know, in his mind, he had dealt with it because he had dealt with it in a non-confrontational way".

Laura felt that organisations often "talk a really good game on listening" but do not follow that through. She was clear that listening is really important and described a person she had worked for earlier in her career who was:

Very laid back, seemingly very approachable, portrayed himself as a great listener, I'm here to serve you, I'm here to make sure that you can be successful, but actually when something was raised if it was something that was different to his view he didn't really know how to deal with it and he didn't welcome it. So I think people need to feel comfortable that they'll speak up but they'll need to feel comfortable that they'll be listened to also and that positive action will happen.

She therefore saw listening as the counterpart to, and a necessary component of, speaking up but also that listening had to then be acted upon for it to be effective. This view had been reinforced by her experience of raising a concern with this boss about a colleague who was claiming expenses inappropriately. She said that he "basically said I don't know why you're wasting my time with this. If you think there is a problem of course we need to investigate it but I really don't think that this is a very good use of time." She raised the matter with someone else and eventually the matter was investigated but the whole experience left her feeling dissatisfied:

I felt really uncomfortable. I felt like from the business perspective, I felt like I'd done the wrong thing. From a personal integrity perspective I felt like I'd done the right thing, but it certainly coloured my view of how could I work in an organisation that didn't really operate with any kind of integrity around its financials and any kind of standards in terms of how it expected staff to behave.

Paula's boss seemed similar in some ways to Laura's one as "he comes across as if he is very approachable and he is genuinely a nice person most of the time...but he is only approachable if he likes what he is hearing". She describes him as a "mixed character" who sometimes asks her to review emails he has written because he values her opinion. However, because he is unpredictable, she says that "anyone my level and below are just too scared to speak up". Yet, on two occasions when she asked to go on some training before visiting a foreign country on business where there were known serious safety concerns, she was told that this was not possible as there was no money in the budget until the following year for this type of training. She describes the countries in question as very "hostile environments". On the first occasion, she did not have to go as the

director in that country agreed that she should not go as she had not had the relevant training. She describes her issue as being that her boss had not seen any problem with her going. Then, being faced with the same issue again but in relation to a visit to a different country, she described the situation as follows:

It's like hitting my head against a brick wall. And I don't think I am being unreasonable. I am not asking for anything that any other organisation wouldn't give their staff... So, it's just a very difficult situation that I am in at the moment. So, to send me out without any training is a very scary thought.

Paula's situation is therefore that people are scared to speak up because they do not know what reaction they will get and they feel that their concerns will not be listened to. There is no speak up helpline and, even if there was, because she is in a small team, she believes that her comments would be traced back to her. She had considered contacting ICAS but did not do so because she did not feel that they would be able to say anything other than that she should either go over the head of her boss to the highest level or to leave the organisation, neither of which would help her as that would be *"putting my job and my mortgage in jeopardy"*. She would therefore like ICAS to provide more support for younger members like herself, including counselling.

The value of listening

In her role at a professional body, Rose also saw the value in listening, saying that if a professional body's members are being encouraged to speak up, then it is therefore the other person's responsibility to listen:

The most important thing if you are going to have this culture where people are going to raise concerns, is the listen up culture - where people don't only know that they can speak up through these routes, but their concerns will be listened to no matter how they are raised.

She viewed listening widely:

What you need to be doing is listening more widely, so not just to your hotlines, to your email addresses. You need to be involving your line managers with this, right down to the most junior line manager who only manages one person and saying, 'Has anyone said anything?' You need to be walking around using the staff surveys, using things like Glassdoor, exit interviews, even people's - if people are posting stuff on social media, customers, about your company - that may be indicative of a speak up or whistle blowing issue.

At the end of Paula's interview, she said, *"I have to say I feel a lot better having spoken to you today about this"*. Morven also felt that her interview had *"almost been like a counselling session"* because she had felt that someone had listened to her. Therefore, the process of being listened to was helpful in itself. Other interviewees referred to the fact that they had found it *"therapeutic"* or *"cathartic"* to talk about their dilemmas. The very process of being able to talk and to be listened to was found to be helpful. At the end of his interview, Sam remarked *"That was very therapeutic - you could charge for that!"*

5.3 Whistleblow

In contrast with cases where interviewees related their experiences of speaking up internally, as described in section 5.1, there were fewer instances of accountants reporting issues externally. Early on in his career while working at a small, family company owned by a father and son, Max had been in a situation where he contacted a potential funder to warn them about concerns he had about the financial statements that they had been given by owners of the company. The funder *“had actually been about to put a large amount of money into this company - and this was the first ethical problem I had because I knew they were going to lose it because I could see what this family were doing”*. He had learned that the stock valuation figure had been provided by the father but had not been audited. In his opinion:

the accounts were absolute rubbish, the stocks were massively inflated...the figures were absolutely amazing, which surprised me because I hadn't prepared any accounts for that stage...And the father used to value all work in progress and stock, and that had been rising for three years. And their overdraft had been rising for three years almost in perfect parallel.

He felt confident about the fact that he had to act but decided to discuss the issue with *“a fellow chartered accountant, a chap I admire a lot”* who confirmed that he had to find a way of suggesting that the funder take *“a second look”* in a way that meant he would not actually disclose confidential information but would send a clear signal to the funder. Max decided to contact the potential funder and recounted what happened next as follows:

So, I rang up the Financial Director of (the funder's name deleted) and I said, “Look you have been given sets of accounts, I understand. All I can say to you is, I have only briefly looked at them. I have not had time to look at them in depth, but I do believe that you should question them. And you should look closely at the funding requirements that are now being met by the bank and that might or might not lead you to asking more questions. But I certainly think you should do a bit more research. And I think you have also got to understand that I think it is very unlikely that I am going to be here much longer, and I am the first qualified accountant to be in this firm, since it has started.”

Max summed up his situation in the following terms: *“The ethical thing was, did I say nothing, knowing that the claim was based on false information”* For him, the matter was clear as the situation was *“not acceptable”* and *“clear as a bell”*. The funder did not provide the funds requested and the business went into receivership a few months later.

Max also approached the then Department of Trade and Industry (DTI) but had been rebuffed because the case was too small for them to take further action. Elliott had also approached the DTI and was interviewed about his concerns but no further action was taken by the DTI because the people Elliott was reporting had not gained personally from the transactions. Max and Elliott had both been disappointed with their outcomes, Elliott saying *“I think there should have been at least some kind of enquiry”*.

Matthew had made a number of reports throughout his career. Some were for criminal activity including fraud and a director acting in his personal interest. In one case, the person had gone to prison as a result. Sometimes however, he had suspicions of criminality, such as taking money from the work till and bribery overseas, but there was not always sufficient evidence to progress matters further. There were other cases where he had reported matters to banks but these were situations where he had the authority to speak to the banks, hence would not count as whistleblowing.

Logan had an advisory, non-executive type position at a charity. Having becoming aware of concerns about improper use of funds and conflicts of interest that were not being disclosed, he approached the relevant regulator, laying out his concerns in writing, and he was also interviewed by the regulator. To his disappointment, he found them to be *"toothless"* and that *"support and their involvement was a total and utter waste of time"*. He pointed out some factors that potential whistleblowers need to consider. First, it can be difficult to collect evidence because *"when we look at some of the minutes of public organisations which are subject to freedom of information, they are very anodyne"*. Therefore, he was glad that he had kept very detailed notes of meetings. Second, he said that it can be difficult to find appropriate people close to the situation to consult because some have *"not declared a conflict of interest"* and others were *"protecting their own reputations"*. He had therefore consulted people in his network as they were removed from the situation. Third, he had been surprised by the social media publicity for aspects of the case and commented that *"it's harder and harder now for people to make the decision to be a whistleblower because of the public persona, with the social media and all the rest of that stuff and all the trolls that would come at you"*.

6. Context matters

6.1 Professional practice

86% of current ICAS students undertake their training in professional practice firms and 25% of current members work in professional practice (FRC, 2018). This sector therefore has a strong influence on the majority of ICAS members via their training and a continuing influence on a quarter of qualified members. This section draws on the interviews conducted with members currently working in practice and those who have moved into other sectors who reflected on the influence on their career and ethical mind-set of their time spent in professional practice. In addition, five interviews were conducted with senior staff (partner or director level) at five of the largest professional accountancy firms in order to learn about the ways in which the ethics environment is developing, especially in the light of the developments set out in Section 2.1.

The views of ethics partners and directors

All five of the partners and directors who were interviewed reported recent developments in their organisations. Details varied from firm to firm but included an increase in staff resource in the area of ethics, the introduction of external helplines which staff could use to report issues, the introduction of champions to help with specific areas such as mental health, diversity and inclusion, and a greater focus on discussing potential and actual conflicts of interest. All interviewees referred to recent events such as highly publicised audit failures and the reviews of the audit market, and felt that this context had led to the firms reflecting on a variety of procedures and processes. This had involved a debate, expressed by Conner as “*can we/should we?*”, namely that discussion had moved from whether something was permissible to whether, if permissible, the firm should be getting involved. Arthur explained that:

If you go back relatively recently to a conflict being seen pretty narrowly in the context of different organisations working in relation to the same subject matter, which is where all the professional bodies sort of start from in terms of what might be a conflict, we are so far away from that now in terms of the consideration of what might be a conflict.

These new developments supplemented the various forms of training that the firms rolled out for ethics and compliance matters, annual staff surveys, counselling and mentoring, codes of conduct and codes of values that the firms have had for some time. Conner also said that there is now more awareness of issues that would not have been considered in the past and that this can extend into all areas of the firm. For example, if the culture was for everyone to go to a pub after work on a Friday, they are now much more sensitive to the fact that not all staff will feel they want to do that so there is a much greater emphasis on saying “*well, if we want the whole team then maybe we should find another way of socialising other than going down to the pub*”. So there is more “*consideration*” and “*thoughtfulness*” in all areas of work.

All interviewees stressed the importance of creating a supportive culture. The firms all tend to have a pyramid structure with a lot of relatively young staff and fewer at more senior levels. In such a structure, Conner sees it as vital that these younger or less experienced members of staff feel able to speak up:

What they don't always appreciate is that in these sorts of situations, unless you nip it in the bud, it rarely gets better. So it will just get worse and then it will create an even bigger problem further down the line but they need to have the confidence to be able to speak up... You know you can say these things but it doesn't mean they believe it and I think that it's really important that we get people to believe that it's okay to do this. How one does that? I suppose you lead by example. They need to be able to see that even people who they consider to be more senior, more experienced, do make mistakes because you're forever learning in a professional environment.

They all acknowledged that in large organisations such as theirs, things will happen from time to time but they all felt that their cultures encouraged people to speak up. Charles referred to the “*culture of consulting*” that meant that people were encouraged to consult, discuss, take advice so that people “*feel trusted and supported by the firm*”. Conner’s wording was similar, saying the firm’s culture is to “*encourage people to consult and no question is a dumb question*”. In Tom’s words “*we would encourage people to try to resolve grievances or problems or issues or concerns at a local level*” so a lot of effort is put into “*trying to create a culture and environment that supports that so that people don't feel intimidated*”. Nonetheless, Tom was clear that some matters could not be addressed in this way and would need to be escalated to higher levels of staff, and sometimes to human resources via the grievance procedure. Finally there were other issues that would come via a more formalised ethics route.

Each of the firms is also required under the Audit Firm Governance Code issued by the Financial Reporting Council in 2010 and revised in 2016 (FRC, 2016) to have governance structures, in which at least three independent non-executive members should be in a majority to oversee public interest matters, with an annual transparency report being produced. The Code includes a whistleblowing principle stating that:

A firm should establish and apply confidential whistleblowing policies and procedures across the firm which enable people to report, without fear, concerns about the firm's commitment to quality work and professional judgement and values in a way that properly takes the public interest into consideration. The independent non-executives should be satisfied that there is an effective whistleblowing process in place (FRC, 2016, paragraph D4).

A wide variety of issues were being reported, including expenses issues, behaviours, billing issues and bullying. Behaviours such as touching inappropriately and cases where “*drink and sexual behaviours seem to go hand in hand*”, according to Charles, are being reported. Billing issues generally involved costs of staff being moved from one client to another but all of the interviewees who raised this were clear that in no cases had clients been billed additional amounts. Rather the issues related to internal allocations. Bullying was also raised and sometimes people who were being complained about did not recognise this. In one instance, Kate said that one partner she had questioned was very surprised by the bullying complaint because, as he saw it, he was “*very proud that he's a blunt man, he says it like it is*”. Tom commented that, in his experience, “*often at the heart of it is miscommunication and misunderstanding*” so sometimes part of his role becomes to “*defuse things*”. He therefore feels that there is a constant need to equip people with strong communication skills. Charles had found that:

Some you actually may discover when you really dig into it that the individual who has accusations against probably has some complications in perhaps health or situations in their personal life and may actually need some support. But that has not stopped us if we have concluded that there has been inappropriate behaviour.

In these circumstances, some interviewees referred to people being asked to leave the organisation but Charles said “we don’t ask someone to leave, we sack them”.

Prevalence of issues being reported varied. Kate said that recent initiatives had resulted in a large increase in issues being reported in the past year and estimated that around half were human resource or behavioural in nature. She said that, statistically, it was more likely that partners would have issues raised against them than other levels:

I don't think that's because partners are particularly bad. I think it's because partners are in a position where they can influence a lot of people and that's the way it goes and where organisations are triangle shaped and I think if a junior person is badly behaving it's probably going to be dealt with by management.

It was difficult to gauge whether this meant that there were more incidences but she felt that a combination of better reporting and a greater awareness of issues following wider media attention such as #MeToo had contributed to this increase. Of better recording, she said that this did not mean that things were deliberately unrecorded in the past but:

Before, I think we were less likely to record things. I don't mean that in a bad way but I just mean if somebody were to have a conversation with (name deleted) and it was kind of resolved without much happening that wouldn't really be recorded whereas I think it's quite important to capture these things.

Also, in the past, Kate said that issues were raised via multiple channels and that is better co-ordinated now. Likewise, Arthur said that his firm was getting a higher number of reports of behavioural issues. He thinks this is because the firm has:

Focused very hard on the fact that behaviour that is inconsistent with our values is unacceptable and therefore encouraged people to speak up for this. And we continue to remind people of that and needless to say after you put out the reminder that you tend to get a little blip but they are small numbers. And this is the challenge and so one has to be careful when looking at trends in that kind of thing.

Not all firms had seen an increase in activity, however. The experience at Tom’s firm was that around three or four issues a year were reported through ethics procedures and around the same number were treated by human resources as grievance matters.

As regards investigation, in contrast with the difficulties associated with investigations at some types of organisation, in Tom’s view, the way that audit firms operate means that there are usually other people who can provide evidence when matters are being investigated because:

People work with lots of different teams so it is quite rare to have one individual working solely for another individual without any other people being involved. And so normally as part of the investigation there are others who you can kind of get a view from, as to whether they have worked with this person and what is their experience and what sort of issues have come up. And also we work in open plan so it is quite hard to do something without someone else being around and spotting it. It is not to say that it wouldn't happen either late in the evening or with people in a meeting room or something like that but it does mean there's usually other third parties that can be interviewed to get their perspective on it, to see if they know about a particular issue or incident or allegation.

An area where differences existed was in the level of publicity given to the outcome of ethics investigations. Kate would like greater visibility. In her view, the people closest to a complaint would often, though not always, know the outcome indirectly, especially if someone had been asked to leave the firm but she was clear that her firm “*need to do more there*”:

My concern is that we talk about ethics and we produce this, actually our last training was really pretty good, but because we don't talk about specific cases or talk about anything that actually happens to the wider population, I just think that's where we are missing a trick.

At Charles' firm, there is a little more reporting nowadays but he did caution that full disclosure can be difficult because of some sensitive areas that may become legal matters.

Finally, another issue that often came up in annual surveys was work pressures. Charles attributed this to a mix of internal and external circumstances as “*partly that is the firms but partly it is because the stock exchange deadlines are very hard for reporting*”. Other factors included the increasing use of technology, including email and the expectation of quick responses. In Charles' view, “*managing that resourcing equation is one of the biggest challenges we have got as an organisation*”. Arthur also had similar concerns as he suspected that there was “*fairly extensive non-charging of hours worked*” which “*is poor business practice, wrong for all sorts of reasons*” but his firm had found that there was much less reporting of this through speak up mechanisms than other issues such as “*sexism, bullying, racism, all things like that that people would seem much more comfortable at raising and expressing*”.

Working at the Big Four and other large firms

Interviewees frequently looked back on their time in professional practice and reflected on the high ethical standards that they felt had characterised that time in their careers. Leo described his training firm as “*honest as the day is long*” while Jonathan recalled:

The way it was hammered into myself and the other apprentices that were going through it with me, it is either right or wrong and there are no fudges. And if you are a CA you do it right.

Calum said that his large firm was “*regulated robustly. Corporate governance was second nature. It was drilled into you*”. He felt that these firms were “*money-making machines but you didn't get into muddy waters*”. Joshua described his experiences of professional practice as “*very collaborative and collegial*” but this is not something that had particularly struck him at the time, as he said “*you don't realise it until you step away*”. Ethan's comments were typical. He felt that an advantage of professional practice was that “*there were always people you could speak to, be it partners or be it a colleague*” so “*you never had to feel isolated*”. He contrasted this with the additional “*pressure to hit goals*” in industry and the bonus culture where, in his case, his maximum bonus could be up to 60% of his salary. Likewise, Nathan recalled that, as a more junior auditor, issues could be “*passed on up the chain*” so that they were dealt with by someone more senior so he “*didn't have to lose too much sleep over what they were going to do*”, whereas, now working on his own account, he was the person who had to resolve issues. He also referred to the existence of multiple teams so that it was possible to approach people that you did not regularly work for, if that was better “*because there were always enough people around you and enough different routes you could take*”.

Those still working within professional practice at large firms, or who had spent their whole career there, felt that the larger accountancy firms have well-developed policies and procedures relating to ethics, including regular training in ethics, conflicts of interest and independence issues. Harry, who had spent most of his career at Big Four and other major accountancy firms, felt that ethical reputation was part of the *“brand – and anything that taints or damages the brand is going to be expensive”*. Bruce, a retired partner, also regarded ethics as fundamental to reputation, saying that if something went wrong, *“the commercial side of a claim is one thing but the reputational side is much harder to fix”*. He, however, stressed that it could not be assumed that, just because there were procedures in place, that they would be effective. He stressed the importance of partners keeping in touch with their audit teams:

I remember one, a quite senior audit partner from London said to us that his experience was if there was ever a problem with a client when you look back somebody in the audit team knew about it at the time. So, go and talk to your audit teams, don't just presume people will report up to you, which is a passive way. You have to maybe be a bit more active and if you chat to folk all sorts of things come out.

People who had experience of working with more than one of the largest accountancy firms felt that there was very little difference between them in terms of culture. Sebastian commented that both of the firms he had worked for were well-organised, with a lot of team work and the opportunity to build up good relationships. Ethics awareness was visibly promoted through regular training on ethical issues and independence from induction onwards so ethical issues *“are being flagged all the time”*. Likewise, Yvonne had experience of two large accountancy firms and said there was a lot of training in both around *“ethical dilemmas, money laundering, all these types of things. And it is not a tick box exercise. It is quite involved and it is tested, there is an exam at the end of it”*. Alongside this, the firms have whistleblowing hotlines and in-house investigation teams for ethical breaches. Both Sebastian and Yvonne commented that the nature of the firms is that nobody is isolated; there are always a lot of people to talk to if someone has an issue.

What Yvonne had noticed was a change in culture and emphasis over the years. She said, *“when I started, eighteen years ago, I would say it was very hierarchical and you would query something but you were very much reminded that you were the junior on a team”*. Nowadays, she continued that, *“it is more collaborative regardless of your position. If you have a question, that question is answered”*. As she put it *“‘if in doubt, shout’, is pretty much the culture”*.

Sebastian mentioned a range of specific issues that were also becoming more visible, including expenses and billing. Regarding expenses, he said that his firm had strict policies and that a member of his team had been dismissed over expenses irregularities, so such matters were being taken seriously. He also said that there had been instances where time worked on one client might be switched to another client job to make some jobs look more profitable. He stressed that he had never seen a case where a client's bill had been altered, so the issue he raised related to internal adjustments not to actual erroneous billing of clients but nonetheless he felt uncomfortable with the practice and had raised it in one particular case.

The large firms therefore are regarded as having a range of developed ethics procedures in place. Yvonne was careful to stress, however, that “*there is always a danger of working for the Big 4 and saying we do things better – it is only a function of being bigger that we have more resources*”. In smaller firms, there were still elements of ethics policies and procedures but these did appear to be less developed than in the larger firms, as discussed in the next section.

These examples show that, despite well-publicised criticisms at the present time of the largest accountancy firms, many of the interviewees regarded them as fairly ethical places. Ben’s recollections were different. An early incident started his lifelong interest in professional ethics – “*the whole thing started with an ethical challenge at (accountancy firm name deleted)*. Shortly after qualifying with a small firm of accountants, he joined the management consulting section of one of the now-Big 4 firms and had found the fee and income-generation practices to be distasteful. He had been working with a travel company that was in distress and went along every Monday to help review the cash flow situation. Despite these efforts, the firm did collapse:

I was summoned by the senior partner in charge in Scotland ... and asked why I hadn’t sold more services to [client name deleted] and my argument was that I couldn’t do it because they were on a very tight budget, you know the cash flow just couldn’t pay for it, and he absolutely blew up and almost shouted at me that I had failed to take advantage of the situation.

The partner then raised another issue about why the fees he was charging another client were so low (he was charging around £250 when the going rate at the firm was more like £500-600 at the time):

So I got blown up for that one as well, at which point I came to the conclusion that (accountancy firm name deleted) and me were parting company, and I did. So it was an ethical decision based on professional practices of accountants and the way they behaved towards their clients. I think some of that stuff still exists... and has expanded. This is why I think the accountants are under scrutiny.

Working at mid-tier firms and firms with several partners

The large firms have dedicated ethics partners but in a mid-tier firm with several offices, Jim said:

We actually have an Ethics Partner as well. And, I think it’s actually me. But, it might not be. It might have gone to one of my partners in my (name redacted) office. But, we do have that.

Lucas works in an independent firm with several partners. Ethics structures are becoming more formalised. He describes regular conversations about conflicts of interest and said “*actually we are contemplating resigning from an audit at the moment because we think there is an over-reliance on non-audit fees*”. There are also monthly management meetings where issues can be raised and, in addition to that, “*the partners’ doors are open and they are approachable*”. He felt that “*challenging conversations*” were inevitable but that “*if you can communicate early enough, the challenging conversations are a lot easier*”. He had seen a step-change in the formalisation of roles so there was now an ethics partner as well as a money laundering officer and an audit compliance principal. As in larger accountancy firms, ethics tended to land more with more senior staff:

The ethics probably hit the more senior staff more than the junior staff because they can pass it to a partner or audit compliance principal to actually ultimately make the decision (with the exception of money laundering regulations). That is not them washing their hands of it but they have passed the responsibility back up the line a wee bit.

There is also more awareness and visibility around the need to flag ethical issues, the main ones being around conflicts, independence and tax matters. However, an issue that he stressed that related particularly to his size of firm was that clients who tend to be owner-managed businesses “see you as their one stop adviser”. They therefore want somebody to be able to deal with their audit, tax, potential acquisitions and similar issues and do not understand why their accountant, who they view as a general business adviser, might not feel able to take on all such work.

Working as a sole practitioner and at small practices with two or three partners

Leo is a partner in a small practice and finds that:

Working in partnership with others is quite supportive in these situations. If you have a bit of a dilemma you’ve always got somebody to talk to who’s next door to you as it were and whilst we’ve had quite a number of occasions, where we’ve had to stop and think are we doing the right thing or not, I think we’ve arrived at the proper solution to these things.

Nathan had set up his own practice with another CA. Being in partnership together was also advantageous for them as they could consult each other but this limited network contrasted with the situation that Nathan had previously experienced at a Big Four firm where “you speak to a partner and they will have had x years of experience in situations or will have discussed with other partners about what can be done”. In the absence of this network, Nathan felt that ICAS has a key role to play and he had in fact consulted ICAS on a number of occasions and “they have been helpful at providing clarity”.

Nathan also missed the CPD opportunities within his previous large firm:

You didn’t have to put any thought into what your training would be like or what your ongoing CPD was going to be because they took care of that because they were identifying at a much wider level the key issues that they wanted to make sure that staff were aware of. Whereas now we have to take it upon ourselves to look at things like, well the big one at the moment, the GDPR.

In small practices, there are still regulatory requirements, for example Nathan stated that:

We do all the sort of mandatory things like money laundering compliance and making sure that everyone is aware of the anti-money laundering process. They all know that I am the reporting officer so that any suspicions they might have on that front come to me first as opposed to going to a client.

However, he stressed that “they also know that myself and (other partner name deleted) are there to answer any questions they might have” so he felt that the key aspect was to foster an open culture, often using “messenger tools and things like that to try and do that in a less formal way so it is quick and easy”.

Sole practitioners are, by definition, in a more isolated position as Jonathan found. In these circumstances, support has to be sought from other sources such as other ICAS members working nearby and from ICAS. Leo recounted a situation before he entered into partnership where he had encountered a dilemma and approached ICAS. He had not found this contact useful and felt quite isolated, saying *“I felt on my own actually”* although he did later speak with a friend, another chartered accountant, saying that *“it didn’t really solve my problem for me”* but that *“even if it doesn’t solve the problem, at least it often reduces it a little bit”*.

Jack raised a different aspect relating to being a sole practitioner. In his view, even greater care needs to be taken in selecting clients in the first place so that the issue is not solely *“know your client”* but also *“do I want to work for them?”*. He then described a situation where he had felt uncomfortable, saying *“there was nothing to whistleblow on but I just decided to shake hands and walk away”* rather than advise on a particular contract.

6.2 Industry and commerce

8% of ICAS trainees and 46% of qualified members work in industry and commerce (FRC, 2018). This is therefore a very important sector for ICAS members. Interviewees who had worked in both the profession and industry were able to compare the sectors. Laura, who referred to moving into industry as a *“shock”*, attributed this to professional practice having clear structures and procedures with *“a clear sense of accountability”* and review processes *“set up to be fairly collaborative”*. She had found that in the companies where she had worked since leaving professional practice:

When you get into industry there’s not that same collaboration, there’s not that same review process. So any kind of review, rather than seeing it as helpful or contributory, it’s seen as meddling and then there is not the same focus on quality because nobody has reviewed it. So you’re putting something in front of a client whether it’s an internal client or an external client, it hasn’t been reviewed, it’s not the same quality standard so I do think there is a huge difference.

Large companies

Belinda had worked in financial services in the period leading up to the financial crisis of 2007 and had been concerned about the loans being made to people *“who were unemployed, to people who wanted the money for cosmetic surgery”* and had been surprised to hear this justified because *“we charge them a lot of money on their payment protection insurance and we also charge them a high rate of interest”*. For her, the whole business model was of concern because *“the structures of rewarding the sales people – people selling the loans – the structures were ridiculous”* in that *“they all got their bonuses from selling us dodgy loans”*. She was quite shocked by the atmosphere:

...because the atmosphere there was brutal. They had their balanced scorecard which they used for performance management. And in every team, someone had to be a one, two, three, four or a five. No matter how big the team was or how good you were at your job, they needed that bell curve. You might have had five people in your team who were all good performers – 3s – but ...you had to show that curve. It was just ridiculous”.

This happened in a regulated environment within a large publicly-owned company. Likewise, Joshua's experiences had occurred at a large multinational that had all of the ethics policies and procedures that would be regarded as best practice:

They have a world class whistleblowing, ethical, programme and 5 years' worth of ethics training in less than 3 months there. I did all the training and yet my circumstances showed that it is not perfect....And I trusted that process and it failed me.

Joshua had used the whistleblowing process (though not the dedicated whistleblowing helpline) at the company and it initially looked as though it was working as *"I went through the whistle blower process, I knew who my contact was, I spoke to that individual, they spoke to the divisional legal counsel based in the same office, my complaint was investigated"* but three weeks later matters took an unexpected turn:

They said they appreciated that I had brought it to their attention but that there wasn't an issue and I was fired 3 weeks later. So it is the cause and effect aspect of it that is quite stark in my case.

A key principle behind effective speak up / whistleblowing policies is the assurance of non-retaliation and no detriment, yet Joshua had lost his job. In another case at another multinational, Jill had not lost her job altogether but she is now working in a different part of the firm, in a lower grade post and earning a lower salary. Jill's experiences related to raising issues of concern including bullying, inappropriate behaviours and conflicts of interest. Her firm was also a large multinational company that, like Joshua's employer, had a wide range of ethics policies and a speak up helpline. In her case, she had faced retaliation and a demotion after using the firm's external helpline despite being assured that there was a *"zero tolerance on retaliation"* so her view was quite simple: *"I would never recommend anybody using it"*. Nor had she found Human Resources to be able to provide support. In her words, instead of helping her, *"they were helping him (i.e. the person she had complained about) manage himself out of that situation"*. Elizabeth, whose organisation works in the field of business ethics, agrees that *"HR's priority is protecting the business"*. Thus, the mere existence of such policies and procedures is no guarantee that they will work effectively to the satisfaction of those who use them in practice. Elizabeth therefore prefers to see ethics separated from human resources departments so that there is more independent oversight. In Harry's view, policies and procedures are *"a box-ticking exercise"*. He continued, *"To be frank, are companies more ethical now than they were before they had these policies in place? Probably not."*

Another issue was raised by Jill because, whilst her firm had a universal set of policies and procedures, all of the experiences she described had occurred in one section of the firm. Over the course of her career at the firm, she had worked in four different functions, three of which she enjoyed working in. She summed this up as saying that within the organisation there were *"very different cultures"*. Thus different sub-cultures can operate in practice despite universal policies and procedures.

A similar view was expressed by Mark who had worked in a variety of industries across several countries. In his view, how an issue plays out “depends sometimes on the person. It’s not necessarily the organisation or the country”. He continued that:

I think it very much depends on the management structure and the people at the top, you know, the so-called tone at the top is very important in terms of how people act or how people believe they should act.

A number of interviewees who had experienced a range of different working environments commented on those that they had found to be particularly effective or corrosive. Edward described his years at a large privately-owned company as “the most difficult period of my career” in an environment where the top level management, including the firms’ founders, set a good “message from the top” but where, underneath that level, the environment was “heavily pressurised” and:

... it did bring me into conflict because my boss was quite supportive, but his boss and above that, I came into conflict with them because I sometimes felt, ‘Not sure about that, not sure we should be doing this’. And it was mainly around trading overseas, bids, tenders, tax.

It was then refreshing for him to move to a subsidiary of a listed company where the atmosphere “was fantastic, I really enjoyed it. It was a highly ethical really well-run company, fantastic people”, a company that “was in to compliance in a big way”.

Small and medium-sized firms

In Robert’s experience of assisting whistleblowers, small firms “are often quite tricky”:

If the owners of the business are behaving in a certain way that creates a very difficult... especially when you have professional duties, it creates a very difficult kind of tension and a point by which you, the whistleblower, will ultimately have quite a difficult decision to make if on the one hand the concerns aren’t being listened to but also that professional judgement isn’t being listened to. I think that’s a really, that is often a really difficult... there is often only one really sensible option in that scenario which is for the individual to kind of remove themselves from that situation one way or the other, but trying to raise it if the whistleblower comes to us quite early on, it’s often, it might actually be how you raise it as well, could be quite key to how the family business then reacts and whether they take on the advice.

Daniel, who works as Chief Financial Officer for a small family firm, describes the challenges of working for such as firm as follows:

I think in my experience here I suppose it has presented its challenges in that, you know, the owners want things their way and are more inclined to tell you the outcome they want. And try, and so saying, ‘We can’t do this, we can’t do that’, it isn’t necessarily their... They have got to be very convinced, you have got to convince them quite strongly, that if something is not doable or not acceptable... I suppose the characters can then be such that, they’re not thinking of... I am thinking of my own personal ethical standards and the standards the Institute and the profession will have. Whereas they are thinking of, ‘How is this going to benefit the business and therefore ourselves? I suppose. So that’s where there can be a conflict.

In these types of environments, Matthew held the view that communication was vital and that it would be helpful if accountancy trainees got specific classes in how to handle difficult situations since that is a “political skill” that can make a difference to the overall outcome. He felt that the first thing to be aware of when working in a family firm is the importance of relationships. It was not necessarily the case that these would be problematic. He described the two firms where he had worked that had the best culture that he had seen in his career. Both were family businesses where the owners had strong management skills, able “to be both hard and soft at appropriate times”, with “no feeling of blame” and where there was a welcoming, respectful organisational culture.

Daniel also stressed that communications require careful handling and tact:

Once or twice I have picked up something I have been concerned about, something that has already happened and that has been done by directors, and I am trying to find a way through to address that without, I suppose, tactfully, you know trying to be tactful, trying to be... You know, not just about anyone in any job they are obviously thinking, ‘If I do this, is this going to compromise... am I going to be out on my ear tomorrow?’ So, there is always a little bit of an element of that. So, if you’re unhappy about something, obviously you don’t go banging the door, accusing somebody of wrong doing until you are a bit clearer about it. So, you know, I think ... it requires a bit of thought and a bit of tact sometimes.

Sam currently works in a family-owned business where there is not a suitably qualified accountant in the latest generation of the family, hence his appointment. He remarks that relationships are extremely important in such an organisation and he regards himself as being fortunate that most family members are supportive – “so that’s how I can confidently operate on a daily basis”. However, he has found one family member to be particularly challenging, an individual who “chooses to operate in a particular way and communicate in a particular fashion, which isn’t altogether healthy”:

I don’t work as closely with that individual as I did initially and, I won’t lie, when I was working with that individual initially I was at that point equally thinking, not for any ethical reasons, but just for day-to-day working, is this a pleasant environment in which to work? Then I was thinking about other opportunities, but if it was reversed and that was the majority of the leadership style being shown by the owners, I would absolutely consider my position.

One of the challenges that Sam has experienced as the business has grown is how to transform it from “a very autocratic organisation” to one that has a more open culture. He has promoted an open-door policy, and there is now an external helpline that employees can access. In a small firm, confidentiality can be difficult to assure but he believes this is important “because without it you will not get the numbers stepping forward”. Anonymity can be a bigger challenge but his view is that “there are six hundred eyes and ears in the business. You want them all to have the confidence to step forward even if they are ‘shopping a colleague’”.

6.3 Not for profit

5% of ICAS member work in the not-for-profit sector (FRC, 2018). In this section, the views of interviewees working in a wide range of organisations spanning the public sector, charities and government agencies are reviewed.

As included in Section 6.3, Robert had seen a number of issues at his whistleblowing charity relating to small firms. In his experience, small charities often had similar issues:

Small charities as well tend to have the same sort of similar tensions where you have trustees who may have been family trustees, that kind of thing, the same sort of tension where they don't understand why they can't act in a certain way. Whereas in a larger organisation there are more levers that you might be able to pull.

Claire's experiences of working in the public sector had left her with a negative impression because of the power relationships involved – *"it's the personal corruption of abuse of power, so, it's not financial corruption per se"* – and, in her view, people working in finance jobs in local authorities have *"a tough job"*:

Perversely, I know this is a bit controversial, I find that the public sector has poorer morals than the business sector. And people would think it must be the other way around and I actually believe in the public sector, I believe there's certain goods best delivered collegiately, utilities and things like that. But that whole slippery slope about small things, about power, because in local government and in the nature of politics, you have got this whole problem about power and the use of power. And you get tiny things which happen and it's actually very, very hard to maintain your ethical position.

In Diane's case, she felt that her not-for-profit organisation had a very healthy culture, where people *"are able to have an open conversation"* and *"are communicating all the time"*. In fact, this culture is one of the reasons she enjoys working there as the culture is *"unique"* and *"one of the reasons why I think it is so great"*. Nonetheless, there can be challenges that are not dissimilar to those faced by private sector organisations. She describes pressures to recognise revenue, grow targets and capitalise items rather than expense them. She has also experienced an issue where she has some concerns that there may be pressure to use some funds in ways that she does not feel align with the stated values of the not-for-profit organisation. She described her discomfort because she feels that, given the nature of the organisation, she has a *"stewardship, guardianship sort of role"*:

I feel really uncomfortable about that and I have spoken to my CEO about it and he knows how I feel about it. But I suppose the reason I feel uncomfortable is probably the ethical dilemma I feel that is not the best use of the funds in line with the organisation's objectives.

Funding issues had also concerned Sam. At an earlier point in his career, Sam worked for a publicly-funded organisation in a heavily unionised environment where there were continual funding pressures. This made for a challenging work environment which he dealt with by being transparent and ensuring that no information was hidden.

Matthew had worked on an interim basis at a number of organisations in the health sector and health trusts and, as Jill had found in the large private sector multinational where she worked, there were a variety of differing subcultures. He said that the differing cultures *“was a function of the individuals within the trust”* because *“governance standards are totally dependent on the personality and standards of the individual”*:

So, when people say, ‘Is the NHS good or bad?’ They use the singular, I strongly believe I would put an ‘s’, the first thing I would do would put an ‘s’ on it. Because it is actually a multitude of trusts and bodies with different standards.

Calum works for a quasi-governmental organisation that advises on business deals and start-ups. He recounted an example where he had been advising a management buy-out and had been attending a board meeting in an observer capacity. He had asked some questions about a set of accounts that gave him *“a bad feeling”* (the *“smell test”*, as he put it). He was told *“not to worry”* and even *“the bank were embarrassed by it so told me to shut up”*. It transpired that Calum had been right in his concerns as the firm was found to have suffered a £3m fraud. Calum did not frame this as speaking up – he viewed the situation as straightforward – *“solve it today so tomorrow you won’t have a problem”*.

A number of interviewees had experience of working in non-executive positions after their full-time career had come to an end. Ethan is involved with some charities which *“play a great role in society”* but he notes that *“they are under great pressure to cut costs or not be funded, if you follow, but still provide the same services”*. In such a context, he regards diversity around the board table in terms of experience of different sectors and disciplines as being *“critical”* from an ethics point of view.

Logan had an advisory, non-executive type position at a charity whose primary function he regards as being extremely beneficial, hence his desire to get involved. Having becoming aware of concerns about improper use of funds and conflicts of interest that were not being disclosed, he approached the relevant regulator as described in Section 5.3. He had become very disillusioned with the organisation as, in contrast to the supportive culture he had experienced as a partner in a large accountancy firm, he describes the culture in the not-for-profit organisation as *“about the blame game”*.

7. Factors that help and hinder

7.1 Leadership style

Interviewees often referred to the management styles of individuals they had worked with. Henry, for example, said:

I have worked with some fantastic, motivational guys, guys like (name deleted), strong leader, fierce guy but fair and always did the right thing. Guys like (name deleted), same kind of guy, worked with him, always there, 'What is the right thing to do, let's do that'. And I have worked with other people and you think 'These people are just nasty, not people you want to spend any time with, driven by greed, power, domination, they enjoy making people squirm'.

Mark also viewed an individual's management style as crucial and recalled a person who he regarded as being a good leader:

Very calm, not arrogant but very much wanted to reflect on situations but when he made a decision he was very strong on it, he would fight for what he believed in. A lot of the times he would get something and it would be discussed and so on but it was done in a more collaborative way.

After having a boss who would not resolve situations, Paula was glad to have a change of leadership in his successor. She says of her new boss:

She has her door open more often than not, and she has lifted a blind that was permanently down on the window that looks into the office that... the first thing she did was open it and it stayed open ever since. So, those are tiny things but massive. She's far more empathic. She's far more engaging...and she is determined that you know the success of the organisation is not hers, it's ours collectively. So, huge change.

The opposite was also mentioned. Laura described someone whom she regarded as a poor leader who was "extremely smart but she couldn't cope with the pressure that she was under and she'd be shouting at people, creating quite an unpleasant atmosphere" and she reflected that she did not recall having had any development on good leadership during her chartered accountancy examination training. In her own relationships with staff who worked for her, like many of the interviewees, she had always tried to stress the importance of hearing about issues at the earliest opportunity:

It's constant reinforcement that it's much harder to fix something after it has gone wrong and actually highlighting something as soon as it's going wrong is for me a positive because it means we can fix it.

Having a supportive leader to be able to talk to was greatly appreciated by Colin at a very stressful period in his career. He had spoken with a senior member of staff with whom he had a good working relationship whilst working as a contractor. He had called this person out-of-hours with a serious concern about some potential accounting disclosures at the contractor firm. This person had clearly recognised Colin's anxiety and had assured Colin that he would deal with the matter – and he did so. This was a very worrying time. Colin describes himself as being "paranoid" and "extremely concerned", and said that the

environment was very pressurised so he did question whether he was “over-reacting”. Speaking up was very difficult but Colin said that “at the end of the day, I felt that I had done the right thing”. He also felt that his efforts, though not necessarily welcomed by everyone at the firm, were appreciated in the end. There had been “mutual respect and someone had commented, “Well done, Colin, you stopped us all going to jail!”.

Likewise, where Belinda now works, she feels that she is in an environment where “the structures and culture” are much better than she had experienced previously. In this environment, she had raised an issue with her line manager which had been difficult but the line manager was approachable and had dealt with the matter so she felt vindicated.

7.2 Networks and mentors

The importance of cultivating a strong network was stressed by many interviewees. Ethan’s view was typical:

My guidance to anyone would be if you have got a problem, speak to somebody about it. They may not be able to solve it for you but you will feel better that you have spoken about it as opposed to leaving it pent up inside... The second one I would say is build up a circle of friends who you can trust to bounce and explore issues with.

In Ethan’s case, he still kept in contact with a partner at his training firm with whom he had discussions from time to time. He felt it was important to be able to speak with people “who know the basics of what I am talking about”.

Sam also values his network, especially as he is the only qualified accountant in his organisation:

We’ve got another CA on my board as a non-exec and he would likely be my first port of call depending on the circumstances. I’ve got other CAs in my network that I could contact to shoot the breeze and all that on a confidential basis. So depending on the circumstance clearly, I would have a number of avenues to explore.

Joshua also believed that building and keeping a network was crucial. To his regret, that had not happened in his case at the firm where he had lost his job for speaking up. In his case, the lack of a network was exacerbated because he had not been in the role for long when he had raised issues so he had not known the people involved, or senior management very well:

The thing that I reflect on most is that I didn’t build up a network, I didn’t have people on my side, geographically and circumstantially. That was going to be difficult but I also know that I didn’t really try either.

Like the others, Diane felt that networks were invaluable and felt that ICAS could do more to link up members, especially those in niche sectors, but she did wonder whether this is now becoming more difficult following the introduction of GDPR and concerns about data sharing more generally. If those issues could be resolved, she felt that it would be easier for members “to identify and get in touch with each other” because, at the moment, she is in quite a niche area but does not feel that she has any real way of finding out about other people who she could “meet face to face and maybe talk about issues, challenges, those kind of things”.

Some interviewees went further, referring to mentors as well as networks. Calum felt that having good mentors was crucial, saying *“I’ve been lucky to have brilliant mentors – guys who have been great to get a second opinion”*. This is also reciprocal as he is also *“used as a sounding board from time to time”*. He therefore would like to see ICAS build on its current mentoring scheme to specifically include ethics. Morven described ethics mentoring as a *“safety blanket”* while Ethan said:

If you are actually in that hole of being faced with a challenge...you need to have a mentor. Not that the mentor will solve it, it is just the fact that you can bounce.

Max currently acts as a mentor or, as he puts it, *“I shadow an old friend. If he has a business issue, he will send it to me and say ‘What do you think?’ He finds this “mentally exhilarating”* and says that as someone who has recently retired *“I have the time to do it”*. He therefore feels that if ICAS could have *“some sort of group of people that the Institute could refer those with a problem”* that would be helpful. Likewise, Adam felt that ethical mentoring *“would be of immense benefit”* and said that he *“would volunteer to do that”*. He did caution, however, that care would need to be taken in the selection of mentors.

7.3 Age and stage

Robert’s organisation did some research into their case files and found that reactions to people speaking up varied with age:

More junior members of staff tended to be ignored in terms of the reaction from the employer. So if they’d raised concerns they tended to be ignored by the employer whereas more senior people tended to be dismissed, so victimised in some kind of way and so there was that kind of tension.

Sally’s experience reflected this. At an early stage as a newly qualified CA, she had raised some concerns over tax treatment and said that her views had been *“dismissed”*. There was also a widely expressed view that it is harder to raise things at a younger age when reliant on ongoing income (Colin) or when there is a mortgage to be paid (Jim). Matthew described a situation that he had ignored, a bribery example, where he said:

Let’s be honest, I suppose at that time – could I just introduce my personal circumstances? If you are – as I have been through my 50s – independent, going from one client to another, pretty financially secure and the children grown up and through university – I am sure that has helped me take a very robust stance, and particularly in interim management... But I suppose at that time, I’ll have had a large mortgage, fee paying schools round my neck and a critical point. And it’s whether you can throw all that up, let’s be honest, is a factor in whether somebody would rock the boat and just walk straight out. So, there’s an element of weakness that can be caused by not being financially secure. My father once told me the reason judges in Britain are paid so well, is because they are meant to be paid well so that nobody can cross their hands and corrupt them.

Claire felt fortunate in being an experienced CA when she returned to her rural community to live and work. Because of the geographic isolation, covered more fully in the next section, she felt that *“if I was a younger CA, I think it would be really, really hard”* and that it gets easier *“to stand your ground”* with age and experience. In her case, she was glad that she had strong networks with other professionals that she could call upon, as she had done recently in relation to a tax issue.

7.4 Isolation

Jacob's view was that *"if someone is a professional accountant then they shouldn't feel lonely because they should be able to contact their professional body"*. For many interviewees, the network that comes with professional membership is powerful but some interviewees nonetheless had feelings of isolation. This isolation can take a number of forms but may not always be recognised as such. In some situations, an ICAS member might be the only accountant in the organisation, representing professional isolation. This was the case for Diane. She had never felt *"isolated"* at her large training firm whereas now she was acutely aware that, as the only finance person, she has *"felt those decision points a bit more strongly"*.

Edward had not immediately thought about isolation but when a banker pointed it out to him, he recognised it immediately:

Being a Finance Manager, Controller, Director, it's a lonely job sometimes. Yeah. I remember I met a banker in (company name deleted), and we socialised one day, and he said, 'You've got quite a lonely job, haven't you?' And I actually hadn't thought about it until then, and I thought about it and I thought, 'You're actually right'. Because I was working with three entrepreneurial guys, who were sales, technically driven, and me.

Even with others around, isolation can be a problem if someone chooses not to consult with others. Logan remembered being told that *"the biggest mistake you make as a partner is the one you make on your own"*, a sentiment he has followed as his practice is to *"always consult someone else before I launch off at the deep end"*. This is why he feels that ICAS can play a role for people who are at earlier stages of their career and working in smaller-scale environments without the support networks available in larger firms:

I think where ICAS can make a difference is not for the old walrus like me, I think it's for the younger guys and girls who are in that smaller environment.

Another form of isolation mentioned by interviewees was geographic in nature. Sam trained with a firm in the north of Scotland and felt that trainees outside of the Central Belt were at a disadvantage in terms of confidence, a disadvantage that could affect their ability to speak up later in their career:

From my own personal experience attending block in Queen Street in Edinburgh for example coming down from (town deleted) staying in a B&B week after week in the mid to late '90s, in that lecture theatre of 100 individuals, I'm going to say 5% were from outwith the central belt, and that 5% go figure at lunchtime, at night-time or whatever, they grouped together because they are the quietest or the shyest or the most retiring. They're out of their comfort zone because they have never been there before versus everybody else who knows everybody else because they are all working for the same firm or they went to the same school or they have the same public school background. It's that level of confidence that is engendered through the training programme to some extent that can influence your career thereafter yet you've got the same qualification. So I could absolutely feel that could influence somebody's ability to have that level of conversation at a client or with a client.

Geographic isolation was felt acutely by Claire who lived and worked in a remote Highland location. In her words, *“it can be very lonely being professionally qualified”*. This had multiple effects. As work was scarce, *“people do a whole mix of jobs”*, often below their skill level, because that is all that is available. Also, anonymity is impossible whereas, in larger areas, *“there’s more opportunity to escape”*. This did not mean to imply that people living in cities were less likely to have ethical dilemmas but Claire said that the nature and ramifications of dilemmas were different, sometimes because the accountants would know the people in question well:

One of the things that you need to be very, very aware of when you work in small communities in any professional capacity is the fact that there can be damage caused because a careless word or something can have effects that you are not aware of and everything can be posted before you have even said it sometimes. And it’s – I think – that members in the bigger cities, although they still must behave properly, and most people do, they have got a little more leeway.

7.5 Family relationships

Following on from Claire’s comments on geographic isolation, she continued that sometimes it might even be necessary to interact professionally with family members who did not always understand that certain matters were confidential and could not be discussed:

You might in a business capacity have really no choice but to interact with people you might be related to. Sometimes it just can’t be avoided. It’s really, really difficult. And one prefers not to do that but sometimes it just happens by chance almost, and then you have just got to make certain you have got the right walls up.

In these circumstances, Claire said that *“having things like the Power of One is actually really quite important because it really does help you just hearing things like that”*. She also finds herself sometimes being stricter with family members, *“and that’s just as bad, you shouldn’t be doing that, you need to be equitable”*.

Though not living or working in an isolated community, Leo had also experienced a situation where he had been approached by a family member to become involved in that person’s business. He had done so but became aware of issues that he felt were unacceptable but the family relationship made things especially difficult:

My dilemma really was, well I certainly left the employment, but my dilemma was what I should be doing about it and in reality I should have been reporting it in various directions. It was before the days of money laundering regulations certainly, but when you stop to think about the personal pressures and that it would probably have wiped out my career completely, family all that sort of thing comes into the mix and I actually feel looking back on it that I should have actually taken action on that, but I didn’t. To be honest there was a bit of physical intimidation involved there that could’ve been a problem as well. I suppose I was literally intimidated so I took the easy way out. It’s always stuck with me as not having done the right thing.

7.6 Transparency

Hugh believes strongly that open cultures should be encouraged and that speak up helplines and ethics policies *“and just the general tone of the organisation can encourage greater honesty and openness...we have to move away from a sort of punishment culture”*.

Finlay believes that this sort of transparency is a key consideration for an effective speak up policy, probably via the organisation’s website. If people were able to read about the number and nature of instances, and to discern trends, then *“if these were disclosed and categorised, along with the actions the board took, I think it would be a good level of transparency”*.

Alexander’s organisation does not publish the outcomes of investigative processes in any way. He did feel that providing some information *“would actually help create that climate of confidence in the process”*. In some cases, feedback is provided to those who raise issues, however:

If they remain employed by the organisation the default position is yes we would try and feedback to them. Now the opposite is true if they have exited then we would tend to say something quite anodyne in so far as ‘thank you for the matter you have mentioned, we have investigated it, we have concluded our investigation’. We probably wouldn’t give them any details but if they are still here and still employed by us, absolutely. I think we would have to kind of be as explicit as we could with them in terms of the outcome of that investigation. I think, to be honest, that transparency would actually be what we would feel obligated to do.

7.7 Due diligence

Some colleagues mentioned that, with hindsight, they should have done more due diligence before accepting jobs. Elliott said, *“if I had done more due diligence, I might not have taken the job – that is a possibility. Hindsight is a wonderful thing”*. Sally’s view was similar, saying *“In a way, it’s your responsibility to do your own vetting procedures”*. Several interviewees mentioned that, looking back, the personalities of people they had met at interview had provided clues of things to come. There is clearly a view, therefore, that whilst not fool-proof, carrying out some investigations before accepting a job is recommended.

7.8 Collecting evidence

In keeping with their training in audit evidence, a number of interviewees referred to the need to maintain good records of events. Jill had been careful to document all of her concerns before using the speak up helpline to report her boss. Abigail was careful to retain an email trail and to make notes of conversations after meetings when she had faced a difficult situation and had spoken to the Head of Compliance about a conflict of interest that she had seen. She had found this evidence trail to be very useful in dealing with the situation although it was still very stressful. Indeed, she commented during the interview that:

I actually feel quite tense thinking about the situation now, it was horrible. I had never been put in a position where somebody was trying to tell me what to do when I knew it was wrong.

Collecting evidence therefore does not alleviate the stress but can help with reporting and progressing the case, as Abigail had found:

Keeping evidence but also making notes of conversations where you are in a situation where you think things aren't going well - hugely, hugely helpful. Because I did that as well in the situation where I spoke to the lady in compliance, is that I had gone to see her face to face, I hadn't done an email, but when I came back I just made some notes for myself. And I emailed them to my home address so that if anything happened - access to them. Because I often, you know you come back and you say, 'But I told you.' 'Well I don't remember you saying that.' So, if you keep your own notes so you can say, 'No, actually on the 3rd July we met and what we talked about was the following...' I think that's really important if you feel uncomfortable. And it's horrible feeling like you have to do it. But to me it's the right thing to do.

Daniel recalled a situation that had been resolved satisfactorily in the end but he had taken steps to "make sure I backed up any stuff on my computer before I raised it in case it went bad and I was marched off and things were closed down".

In the heat of the moment, however, people may forget to collect evidence. Hugo has found that people often note down facts such as time and date but forget about conversations:

In moments of personal tension, people of course don't have the time, or it doesn't occur to them that actually that argument or that conversation I had with the boss when he said, 'You adjust those figures, or I will sack you', is something that they should write down.

8. The role of the profession

8.1 Being a professional accountant

Several interviewees commented on what their professional status meant to them. The route to qualification is not easy. In Isaac's words, *"it was hard, three difficult years"* so not to be *"jeopardised"*. He felt that *"at the back of your mind in terms of personal behaviour you're always thinking 'Well, I'm a CA' – there is still some sort of professional grounding there so it sets the tone"*.

Jill's comments were similar:

*I've worked so damned hard to pass my exams, I attended every lecture ...
I really hold my membership close to my heart. I am very, very proud to be a CA
and I couldn't have carried on being a CA if I hadn't spoken up.*

Yvonne believes that it was important to view ICAS members *"as a collective"* rather than as individuals or an institute, so that it is recognised that *"we all have responsibility to uphold the CA, so is there something that the members can do to support other members that ICAS could facilitate?"*

Hugo also feels that professional bodies have a role to play in reinforcing what is regarded as acceptable behaviour:

I think inevitably, there is a sort of dislocation between the lip service that almost, I think 100%, of businesses in the UK now pay to various rights and modes of behaviour and their actual behaviour... And just because you sign up to the charter, doesn't say that you are going to behave in an acceptable way. So much is obvious, isn't it? But actually, that exposes I think again the continuing need for bodies like us which are at arm's length to provide at least some sort of sounding board or reference point for people about what is acceptable behaviour.

8.2 A more radical approach?

There was a widespread view that professionals could be a powerful voice but Belinda would like to see the profession being more *"radical"*: *"we talk a lot about ethics but at the same time we never take a stance, a strong stance"*. This view is shared by Adam:

If we are going to be guardians of the conscience, guardians of the economic conscience, setters of the moral standards, setters of the morally courageous standard, whatever else we think in our committee rooms on the third floor of CA House, we ought to be voluble on the street. The message ought to be in the Evening Standard's headlines, in the Financial Times opinion pages, in the Financial Times weekend supplements, on BBC question time panels. We ought to be getting these situations dealt with and showing what is institutionally unacceptable.

A number of interviewees felt that there was, in Adam's words, *"a lack of proportionality"* and that the profession needed to focus more on actions that had major economic consequences rather than smaller ones. This manifested in some interviewees being critical of the fact that some disciplinary cases as reported in the monthly *CA Magazine*, involve more minor transgressions while people who have been involved in large scandals

or business failures escape scrutiny. Jack mentioned that he had recently read of two such disciplinary cases where he felt that the situations were relatively minor and had failed to take into account that *“the ethical dilemmas facing small and sole practitioners are so different from big corporates”*. He continued:

I thought, boy, I would love to see any corporate CA firm, the senior partner, being hauled up for that. And I thought it was very distasteful and it actually made me feel uncomfortable to be a CA.

Adam continues that there is a need to take more account of context. He illustrates thus:

You can have a person who is unwell and their performance suffers and other members of the team take on more. Maybe they take decisions that they shouldn't take because they are protecting the sick line.

Or:

So we are so busy talking about the impact on the wee guy who has got a petty cash voucher in Torry and he has got a petrol receipt but he also bought a bar of chocolate or something so he puts the whole lot in. Oh, we have got an ethical dilemma here. We need to exercise moral courage and deal with this, this can't be allowed to happen - while the financial services industry is running off with everybody's penny and everybody's bun... It is slightly hollow to talk of moral courage when the courage to discipline high profile members of the institute seems lacking or absent.

Recent disciplinary decisions had also troubled Henry:

I laugh, I see the institute going after some poor sole practitioner who is getting banned for 5 years and the rest of it. I just laugh out loud because somebody like (name redacted) is still a member of the institute.... What they don't do is go, 'Hang on a minute, there is a huge massive catastrophe that has happened here that has had implications for the whole of the country'.

8.3 Experiences of contacting ICAS for ethics advice

Some interviewees had contacted ICAS when they had wanted to access advice from their professional body. Sally had felt *“very unsupported”* by her employer so *“called ICAS and I was given advice if it couldn't be resolved to my satisfaction I needed to resign - and I put myself in that position and I said to my employer 'if we don't do this right I'm walking' - and it was resolved”*. She found the experience to be very helpful, describing it as a *“comfort factor”*, and said that *“it was good just to know that I did have professional support there”*. Likewise, Jack had contacted ICAS and felt that he had received very useful advice.

Jim, on the other hand, was more sceptical. He knew that ICAS had an ethics helpline but said that you would be told to *“discuss it with the company”* and, if all else fails to *“resign”*. This had also been Leo's experience. When faced with a dilemma, he had contacted ICAS and had wanted advice but recounted that he had only had a brief conversation that he felt simply amounted to being told to *“sort it out yourself”*.

At the time of our interview, Jonathan was in the midst of a difficult ethical situation. He had contacted ICAS twice. On the first occasion, he had been unhappy with the guidance that he had been given and said that he felt “badly let down by the Institute” and described his experience as one where he had “lost no end of nights of sleep”. Later, Jonathan spoke with a different person who was very “helpful and gave good advice”. On another occasion he had spoken with an accountant at another practice in his locality and that had also been helpful. Thus, help was available but his initial experiences of contact had not provided him with the support that he was looking for. His feelings about his experience suggest that there can be mismatched expectations about the scope of guidance that ICAS can provide.

When she felt she had nobody else to turn to, Jill had contacted ICAS and was equally critical. When asked if anything could have helped her situation, she said:

The only thing that could've worked differently is ICAS' approach. As a member of ICAS I felt very, very let down. I had nowhere to turn. I was telling someone that I was scared, that I had been retaliated against for reporting, for whistle blowing, and that I felt that I could be further retaliated against. What protection could they have given me? And I was given nothing. No solutions, no options, nothing. That was a very closed book.

From a professional body perspective, Hugo does sometimes get the impression that people want to be provided with solutions but it is not part of his role to do that:

You do sometimes get the sense from people you talk to that they are desperate for you to say, “You need to do X, Y and Z now and call me back when you have done it.” But yes of course, we resist doing that, I mean other than the fact that we always tell people to document what they have done and their rationale for doing it.

Daniel had never felt the need to approach ICAS for guidance but was quite sceptical about whether people would wish to make contact if they were in a situation where they might have realised they had done something that they should not have done in case they incriminated themselves and opened themselves up to the possibility of disciplinary action.

8.4 Should ICAS establish an ethics mentoring scheme?

The value of being able to speak with someone and being listened to was raised by a number of interviewees, as included in Section 5.2. This section therefore considers whether ICAS could provide such a service. Mark, whilst recognising that ICAS is a relatively small subscription-based institute with limited resources, said that ICAS was well placed to act as an effective network, linking members where that would be helpful:

People should be encouraged to contact their institute because they can have the experience of however many thousand members we have nowadays, 20,000 or so, working in different disciplines, working in different countries. And that can be a very good database to use as advice for people or to put people in contact with other people who have had a similar experience as a networking thing because nowadays with the power of social media and all these different things it's more easy to network than 30 years ago when I was young and if people know perhaps through the institute as a pivot point that there is someone else who has got a similar problem to you and they are prepared to talk to you.

Hugo's professional body has recently established ethics mentors drawn from senior members of the body who were "fairly advanced in their careers" because they had noticed a category of issues where "it wasn't a clear edged ethical problem and when you spoke to them, they would be, 'Well, I'm not sure any of this really helps me. I am just wondering how I should approach this or that problem' " so people wanted to talk around the issues. It is too early to gauge the success of the initiative but Hugo's "sense is that has actually been quite a useful reference point". The mentors received an induction session where the purpose of the mentoring is explained. He describes this as being to "talk about the code of ethics, talk about the approach we adopt which is not to tell people what the answer is, and to encourage a – I suppose what you might call a therapeutic dialogue by the use of open questions, lots of listening etc.". There were concerns about legal liability but his professional body deals with that by stressing that they are providing an opportunity to talk but that they do not provide advice.

Rose's professional body also offered the opportunity for members to approach the body, although this was not framed as mentoring. She described the ethics hotline as a "sounding board" and said that:

I have in the last few years – maybe like twice a year – gone out of the office to have coffee with a member, sit down in just a completely separate environment, listen to what they have to say and signpost a couple of options that they might want to think about. And maybe give them a couple of things that they may not have considered about their situation...what I have found is mostly that our members just want a sounding board...mostly I just think they want to be listened to.

Ben had experience of setting up a range of ethics policies and procedures at a professional institute in a field not dissimilar to accounting. These included establishing an ethics hotline, and developing case studies and articles. His view was that counselling is vital but that it must be done non-judgementally. He likened it to marriage guidance counselling:

They don't recommend that people do things or don't do things... They ask people to think about it and read about it, look at it, go and talk to these people and make their own decision and that is something that we've found was helpful to the consultants that went through the training.

He therefore sees the value of people talking about issues so that this helps them to come to their own decision.

Sally had reservations about whether an ethics mentoring scheme would work in practice, however, because approaching someone with an ethics dilemma required a level of trust and she felt that:

If you just call up random fellow chartered accountants they may not actually be able to give you that technical guidance on what the right thing is to do and you've then told somebody else and you've spilled it open to an even wider group and it's somebody who you don't necessarily know, can vouch for, can vouch for you.

Instead, she felt that it was important to encourage CAs to broaden their network so that they had people who they could use as a "sounding board". Paula had also found this useful, saying that "one thing I do get from ICAS is I have expanded my network, I have

got other accountants that I have met at networking events and are now friends". She did believe that specific ethics mentoring would also be useful as a supplement to networks. Likewise, Diane thought that ethics mentoring had potential but was not sure it would work in practice. For her, trust worked two ways, as she would trust an ICAS mentor in principle but wondered whether the relationship in reality would be sufficient to engender trust:

I think having someone external to your organisation I think would be key. I would trust the ICAS network to kind of play that role I suppose. Whether people would actually take it up is a different question and a lot of these things is about building that relationship and building that trust. I think something like this if it is around a person that you don't have an ongoing relationship with, I wonder whether actually when it came down to it, people would actually call them up or take that on. So I do think it is a good idea but I don't know whether it would work in practice.

An underlying issue in these interview comments is whether ethics mentoring is part of overall career mentoring or whether it should be a separate process. Elizabeth felt the former was preferable for two reasons. First, this would allow the mentor to build up a longer-term relationship and more all-encompassing understanding of the mentee and, second, people don't always distinguish between ethical and other issues so might not immediately see the need for an ethics mentor.

Jim had an alternative suggestion. He encouraged members to join an ICAS committee to get to know people. Through that contact, "you can ask these people, off the record, no names. People do that, small firms do that with me. They phone up ... and they just want a ten-minute blether about something".

Some interviewees discussed whether ICAS could offer access to legal advice. Harry felt this would be helpful as he had personally sought legal advice on occasions when dealing with dilemmas and found it useful. He felt that the advantage of having legal advice via ICAS was that "a firm that they might use might then become more familiar with the kind of situations that people might want to talk about". Hugo's professional body does have a legal helpline provided by an external source. Members are entitled to some free legal advice and it is quite frequently used as often issues that do not immediately require legal advice evolve into that space because they become employment issues. Belinda would also like to see ICAS offer legal advice and financial support, possibly funded by a levy on all members. Paula, too, mentioned financial support, especially for young members who do not have many financial resources, perhaps via an insurance fund to support members who had to leave their job quickly because of ethics concerns.

Robert, drawing on his experiences of giving advice to whistleblowers, also felt that mentoring was important, especially useful when people were isolated and needed someone to talk to. Like Adam, however, he had some words of caution as he had found that it often becomes apparent that people have multiple issues and may need very careful counselling. He therefore wondered whether mentoring:

Might bring forward a lot of quite damaged individuals and obviously that mentor system needs to have a clear referral system, or a clear idea of where they can go to get the mental health approach because whistleblowing can be really stressful, it can have real impact.

Therefore, mentors would require careful training and would need to have access to a referral system. Rose also raised this issue, saying that it was important to include mental health in discussions about speak up and listen up policies:

We were talking about how we can help our members, support our members better for mental health issues. And one of the areas in which we work which is the most stressful is the speak up arena. So, a lot of people who do raise concerns, and it goes wrong, may be suffering from stress which can bring about or exacerbate mental health problems. Obviously stress in itself is very damaging to mental health and physical health as well.

Robert also felt that the ground-rules would need to be carefully set out in advance. He continued, *"I'm always surprised how often people just go into a process assuming certain things when that's not the case, especially around confidentiality"*.

8.5 Case study and real life examples

Another suggestion offered by interviewees was the sharing of real-life examples (suitably anonymised). Jonathan said this was necessary to *"make the youngsters aware of how even small things can create big problems"*. Leo agreed and felt that there was no substitute for real-life experience:

It's only when you see these things face to face yourself perhaps that you really think hard about them but, having said that, in my days at (firm name deleted) actually we did a lot of training on case studies. American case studies are quite plentiful and there are some really good lessons for people to learn from case studies. I always quite enjoyed them actually. Quite frightening some of them.

Logan also sees the value in real-life examples but feels that confidentiality is a major stumbling block. As with all cases, the details and company names are not included in this monograph but Logan is clear that *"I don't think I could sit and put as much information out there"* in the public domain as he had revealed during his interview in which he had an assurance of anonymity.

Joshua felt that case studies made more sense to people as they progressed through their careers because at later stages, beyond initial qualification, *"you are then doing it for people who might actually appreciate it and who might understand it"*. As he put it, *"ethical dilemmas which were a case study 25 years before, are my life now"*.

During Conner's interview, when discussing the need for people in professional firms to speak up, he said that they might be encouraged to do this if they were told that senior people had sometimes made mistakes and that everybody was continuously learning. He continued:

You don't always get things right and if they can see how things are dealt with, because very often problems arise and are dealt with quite confidentially, so they would never know all of this stuff is going on. So as we're talking it's giving me ideas about how we can augment the training that we do to actually include real examples of more experienced individuals of the firm and partners of dilemmas they've faced, how they managed them all, and on a no names basis of course, but I think that would be really important to allow others to see the culture in action.

9. Conclusions and policy implications

9.1 Conclusions

Following on from a survey of ICAS members (Paisey *et al.*, 2019), this research project aimed to investigate the dilemmas and actions of ICAS members in depth to gain deeper understanding of the speak up, listen up and whistleblowing responses of ICAS members to ethical dilemmas. In order to address this aim, the following research questions have been addressed:

1. What kinds of ethical dilemma situations have interviewees experienced?
2. How did they respond, specifically in terms of speaking up, listening and whistleblowing?
3. How does context affect the above?
4. What factors helped or hindered ICAS members as they sought to address ethical dilemmas?
5. What role does, and could, ICAS play in supporting members as they seek to address ethical dilemmas?
6. What conclusions and policy implications can be drawn from analysis of the interviewees' thoughts and experiences?

Research question 1 - What kinds of ethical dilemma situations have interviewees experienced?

Section 4 showed that interviewees defined ethical dilemmas in a variety of ways but were united in their belief that ICAS members were very likely to encounter ethical dilemmas throughout their careers. They reported a wide range of ethical dilemmas and had often found that early experiences had been formative, influencing their approach to subsequent dilemma resolution as their careers unfolded. Prior research has focused primarily on technical dilemmas, and these continue to manifest, with a cluster of dilemmas around aspects of accounting and taxation. This research has found that interviewees reported a wide range of serious behavioural dilemmas too. These included pressures from clients and from senior managers, bullying, work pressures specifically in terms of workload and work-life balance issues, and, in an age of global business, a range of differences in behavioural expectations internationally. It is clear that some ICAS members have found themselves in extremely challenging, stressful, situations where they have been subjected to insidious language, sometimes more serious intimidation and bullying.

Research question 2 - How did they respond, specifically in terms of speaking up, listening and whistleblowing?

Section 5 shows that interviewees spoke frankly during the interviews. Many had spoken up internally within their organisations, some with positive outcomes, but others having suffered detriment as a result. Speaking up was not always easy, causing stress. Tenacity and resilience were often required. Whilst many instances were recounted of speaking up, some admitted that there were occasions where they had not spoken up, sometimes to their regret. There was general agreement that being able to speak up is an important part of an effective organisational culture, allowing issues to be dealt with at the earliest opportunity before they escalated.

When they had spoken up, some were fortunate to find that they were listened to, but others had less positive experiences. Interviewees were clear in their view that listening had to be followed up by action; a sympathetic ear was ineffective if the listener did nothing. Listening was therefore characterised as both an action in itself and a spur to further action since interviewees felt that staff will be less likely to speak up if they lack confidence that the organisation will act on issues. The importance of listening therefore needs to be emphasised, as a complement to speaking up.

While speaking up internally within an organisation was frequently reported, whistleblowing by reporting issues outside of the organisation was less common. Outcomes varied, with some instances where whistleblowing had been welcomed but, in line with prior literature, in other cases it had been viewed as troublesome.

Research question 3 - How does context affect the above?

Interviewees worked across a wide spectrum of career locations, ranging from professional practice to industry and commerce, not-for-profit and other sectors. It was clear that the largest accounting firms already have well-developed ethics policies and procedures but that, at a time of increasing public and governmental scrutiny, policies, procedures and the ethical organisational culture were continuing to evolve. The senior people in the firms who are responsible for ethics policies, and also ICAS members employed at all levels within these firms, shared the opinion that the large firm environment is supportive, collaborative and team-based, with the raising of ethical issues being encouraged.

Such a view is not necessarily what the public might expect at the current time, given media attention on audit failures and potential reforms but this research has found that both current and former employees of the largest firms generally have a fairly positive view of the working environment and the handling of ethical issues. It is clear that there is now greater emphasis on the reporting of issues, with all firms at a policy level encouraging staff to speak up. Whether all do so is hard to gauge because it is always easier to see actions rather than silences and there remain challenges around the transparency of investigations and outcomes, so this is an area where further evolution is likely.

An area of concern raised by some individuals working in the largest firms was the long-hours culture and pressures due to very tight reporting deadlines. These were raised by these interviewees as ethical concerns who perceived that there was sometimes a gap between rhetoric and reality as regards flexible working and work-life balance issues.

Medium-sized and smaller practices presented a more variable picture. Most firms had a framework of procedures in place, especially in the form of appointees to roles such as Money Laundering Reporting Officer and Compliance Officer. Thus these firms complied with regulatory requirements but, beyond these, ethics policies and practices were less formalised, relying more on the sense of professionalism of individual members of staff. In the smallest practices, feelings of isolation were sometimes experienced, making it more difficult to find people with whom to discuss ethical dilemmas.

Interviewees frequently commented to the effect that the first move out of the profession could be challenging and something of a culture-shock. This is not to suggest that firms outside of public practice are less ethical because some interviewees recounted very positive experiences. However, for some interviewees, their experiences in industry, commerce and the not-for-profit sectors were very challenging. A commonly-expressed view was that, often with hindsight, they missed the supportive, collaborative, team-based environments that they had experienced in professional practice and were therefore more likely to feel isolated.

In this type of research, which is by nature qualitative and individualised, it can be difficult to discern patterns. For example, some of the most extreme cases took place in large listed firms with very well developed ethics policies and procedures. Sometimes, issues could not even be generalised to one organisation because some parts of an organisation could operate much more effectively regarding ethics matters than others. That said, common factors for this group of interviewees appeared to be the personalities of colleagues, both positive and negative, both in terms of their line managers and those to whom the interviewees had spoken up.

Research question 4- What factors helped or hindered ICAS members as they sought to address ethical dilemmas?

Section 7 set out a range of factors that interviewees believed helped or hindered them when they were wrestling with ethical dilemmas. This is not a complete list of all factors that could apply. Rather it represents the factors that were raised during the interviews.

The style of leadership of immediate line managers was frequently mentioned. Interviewees recognised that sometimes tough decisions need to be taken and that strong leadership can be required but, in general, they felt that more collaborative, consensual, styles of leadership were preferred. Leaders displaying aggressive, erratic behaviours, who were not approachable and who did not display a willingness to listen, were regarded as problematic. Interviewees also did not like working in blame-cultures but preferred organisations where people were encouraged to speak up at an early stage in an environment in which the key message was that it was better to sort out issues early on rather than allowing them to fester.

Interviewees frequently referred to the value of their professional network and the need for ICAS members to develop and maintain networks that they could use as a sounding-board as required. A number of interviewees had feelings of isolation, which made it more difficult to appraise ethical issues, so these interviewees also often expressed the importance of a solid network even if that is something that they had not themselves fostered.

Age and stage of career were important, with interviewees believing that it was more likely that they would encounter issues later in their careers, because of the nature of the roles they held, but also that it became easier to be taken seriously and to challenge issues if they were more experienced, especially if they had financial security behind them in case they lost their jobs.

Working for smaller, family-owned businesses could sometimes be really rewarding but such firms could also pose significant challenges in terms of working relationships and ethical issues. Interviewees who are in geographically remote areas also face similar issues in terms of the interface between business and personal relationships.

Interviewees stressed the importance of researching potential employers carefully before taking on a new job as some, with hindsight, had felt that there were signs that they should have spotted at the recruitment stage but which they missed at the time.

Finally, a commonly expressed view was that, if ICAS members found themselves in difficult ethical situations, then maintaining a good evidence trail of events, conversations, meetings and documents was vital so that they could refer to these if necessary as the dilemma progressed.

Research question 5 - What role does, and could, ICAS play in supporting members as they seek to address ethical dilemmas?

Interviewees reported mixed views if they had contacted ICAS for support, pointing to the need for greater clarity about the nature and extent of assistance that can be offered. There was a commonly-held belief, however, that professional bodies have an important role to play. Part of this is a networking role and part is in being able to access trustworthy advice. Some interviewees believed that ICAS could offer further support, in the form of ethical mentoring and real-life case studies, although they also expressed the view that there would be challenges around both of these. Finally, some interviewees wanted ICAS to be more radical, not only in promoting ethical behaviour but taking a stand on ethical issues.

Research question 6 - What conclusions and policy implications can be drawn from analysis of the interviewees' thoughts and experiences?

Drawing on the 48 interviews and the above research questions, the following conclusions and recommendations are proposed.

Overall, the interviewees showed that ICAS members, as professionals, are likely to come across ethical dilemmas and that, whilst many relate to technical issues, they are also likely to come across behavioural ones too. Their training prepares them to deal with technical challenges, but it is not clear that their training equips them so well for behavioural challenges such as dealing with different leadership styles, bullying and intimidation.

The first move away from the support networks of professional practice can be a shock. Some interviewees were lucky in their career paths but some had found themselves in very difficult organisational cultures. It was not always easy, therefore, to speak up but most interviewees had tried to deal with situations that had occurred by speaking up, though there was no guarantee that they would be listened to if they did so. Although there is no suggestion that these are the norm, there were some very disturbing accounts of serious bullying, retaliation and dysfunctional organisational cultures.

A range of factors appeared to either help or hinder the interviewees when they were addressing dilemmas but this research shows that accountants take multiple career paths and, ultimately, there are as many ethical dilemma stories as there are individuals. It is hoped that, by providing insights into the ethical challenges of ICAS members, both accountants themselves and other interested parties can gain a better understanding of what it is like to be a chartered accountant trying to act in an ethical, professional manner.

9.2 Recommendations

For all organisations including accountancy firms

There needs to be a greater emphasis on the organisation's behavioural expectations, including zero-tolerance of bullying and similar dysfunctional behaviours.

Organisations should strive to cultivate an enabling, supportive, collaborative environment where people are encouraged to speak up and are willing to do so without fear of detriment. This requires a change of mind-set where speaking up is viewed as constructive in order to tackle issues as they arise rather than leaving them to fester. Staff also need to be confident that the organisation will act on issues that are raised in order for them to feel that speaking up is a worthwhile act.

The importance of listening needs to be emphasised, as a complement to speaking up. One means of achieving this is to implement a specific Listen Up policy. Listening needs to be viewed as a dual-aspect process involving listening attentively and then acting on that listening. Listening with apparent sympathy but then not acting undermines confidence in the value of speaking up.

Where possible without compromising anonymity or sensitive data, organisations should be encouraged to provide details of the number and nature of instances of speaking up, with some indication of actions taken, in order to show that speaking up is valued and leads to action. Channels include feedback to the person who has spoken up, public disclosure to show transparency, or both. Real-life examples, on a no-names basis, can also allow others in the organisation to see the culture in action.

Consideration should be given to locating responsibility for ethics matters separately from human resources departments in order to emphasise that such issues relate to organisational culture rather than workforce discipline.

For accountancy firms specifically

The largest accountancy firms have already developed a wide range of ethics policies and procedures, and continue to do so, but more could be done to make employees in these firms aware of the kinds of situations that arise and how they are dealt with, as this information is not always shared at present.

In response to interviewees who raised work pressures relating to very tight deadlines and the long-hours culture in the largest professional accountancy firms, consideration needs to be given to these matters from an ethical as well as a human resources perspective.

It may not be practical for small and medium-sized professional accountancy firms to have the same range of ethics policies and procedures as the largest firms but, given the variability found in current provision, these firms should be encouraged to develop and publicise policies and procedures to the extent that is practicable, including leveraging the benefits of aiming to foster a supportive, collaborative, team-working environment.

For ICAS

Given the inevitability of encountering ethical dilemmas and the formative effect that early experiences can have, consideration should be given as to how real-life examples of dilemma situations and their resolution can be disseminated in a way that provides insights but protects the individuals whose experiences are being shared.

Trainee and qualified members of ICAS need to be aware that, as well as technical ethical dilemmas, they may well experience ethical dilemmas that are behavioural in nature, including pressures from clients and/or senior managers, bullying and dilemmas founded on cultural differences.

Interviewees would welcome more education and development in order to understand different leadership styles and to enable them to communicate effectively in a calm, measured way in challenging ethical situations. Specific training in developing resilience is also recommended.

Consideration should be given to providing specific training on workplace psychology, the importance of speaking up and listening, factors that help or hinder such speaking up and listening, the timing of speaking up and how to raise issues in a constructive way that is likely to be effective. These topics should be included both during the training contract and in continuing professional development as the current research shows that ethical issues affect all ages of member at all career stages.

Professional accountancy bodies already recognise the importance of professional networks but, given how important these were viewed by interviewees, further reinforcement of the importance of networks is recommended. There were also calls for more network development in niche areas such as for accountants working for charities or family firms, so that people can share ideas with others who understand their specific context.

Consideration should be given to increasing support for ICAS members who experience isolation, either in terms of business environment (for example, being the only accountant in a small, family-owned firm or charity) or geographic area, for example by providing a means whereby members can make contact with others in a similar work area or locality.

The importance of carrying out careful research into ethical culture before assuming a new role, moving to a new employer or taking on a new client – due diligence – needs to be stressed.

The importance of collecting and retaining evidence if experiencing difficult ethical dilemmas needs to be stressed.

There is a need to be clear about the nature and type of support that ICAS can provide via its ethics helpline in order to ensure that the expectations of the ICAS staff and membership are aligned.

Consideration should be given to establishing a specific ethics mentoring scheme similar in nature to the current career mentoring arrangements offered by ICAS to allow members with ethical dilemmas to be able to discuss these with suitably trained, experienced members. Often interviewees were not looking for solutions but appreciated the opportunity to be able to talk with a trusted individual.

9.3 Limitations and opportunities for further research

This report is based on 48 interviews. As with any interview-based study, the results must therefore be treated with an element of caution, as it is possible that a different set of interviewees would have raised different issues. However, the themes identified here were based on recurring responses so are still considered to be reliable.

It should also be recognised that there has been no attempt to verify any of the interview findings as the aim was to investigate the dilemmas and actions of ICAS members as recounted by the members themselves to gain deeper understanding of the speak up, listen up and whistleblowing responses of ICAS members to ethical dilemmas. However, interviews were lengthy, detailed and open, with interviewees reporting both positive and negative experiences, actions they were proud of, and ones that they might have preferred to be different. As such, the interviews are considered to provide fascinating insights.

As with the questionnaire survey reported in Paisey *et al.*, (2019), this research is skewed towards middle-aged and older, male, interviewees. Attempts were made to increase the number of interviewees among females and younger members but further research could focus on these groups.

ABOUT THE AUTHOR

Professor Catriona Paisey, University of Glasgow

Catriona is a professor of accounting at the University of Glasgow. Previously, she held professorships at Glasgow Caledonian University and the University of Stirling. Her research is currently focused on the ethical, career and educational development of professional accountants. Recent projects have focused on continuing professional development, career progression and work-life balance, the gender pay gap and diversity issues in the accountancy profession. She is a member of ICAS and is currently a member of ICAS Council. She also sits on the ICAS Ethics Board.

LIST OF REFERENCES

- Abdolmohammadi, M.J. and Baker, C.R.** (2006). Accountants' Value Preferences and Moral Reasoning, *Journal of Business Ethics*, 69, 11-25.
- Alleyne, P., Hudaib, M. and Pike, R.** (2013). Towards a conceptual model of whistleblowing intentions among external auditors. *British Accounting Review*, 45, 10–23.
- Alleyne, P., Hudaib, M. and Haniffa, R. J.** (2018). The Moderating Role of Perceived Organisational Support in Breaking the Silence of Public Accountants. *Journal of Business Ethics*, 147, 3, 509-527.
- Alvesson, M. and Svingsson, M. S.** (2003). Managers doing Leadership: The Extra-ordinarization of the mundane. *Human Relations* 56(12) 1435-1459.
- BEIS (2018a).** Independent Review of the Financial Reporting Council, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/767387/frc-independent-review-final-report.pdf (Accessed 1 April 2019).
- BEIS (2018b).** Press release: Government takes next step in improving standards of UK audit market with new independent review into audit standards, Department for Business, Energy and Industrial Strategy, <https://www.gov.uk/government/news/government-takes-next-step-in-improving-standards-of-uk-audit-market-with-new-independent-review-into-audit-standards> (Accessed 1 April 2019).
- BIS (2015).** Whistleblowing: Guidance for Employers and Code of Practice, London: Department for Business Innovation and Skills, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/415175/bis-15-200-whistleblowing-guidance-for-employers-and-code-of-practice.pdf (Accessed 9 April 2019).
- Boyce, G.** (2014). Accounting, ethics and human existence: Lightly unbearable, heavily kitsch. *Critical Perspectives on Accounting*. 25, 197-209.
- Bradshaw, K.** (2017) Encouraging a Speak Up Culture, London: Institute of Business Ethics, https://www.ibe.org.uk/userassets/pubsummaries/summ_gpg_speakup2.pdf (Accessed 2 April 2019).
- Braun, V. and Clarke, V.** (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology* 3, 77-101.
- Brennan, N.** (2016). Shades of Grey – Directors' Dilemmas, https://www.icas.com/___data/assets/pdf_file/0009/238572/Shades-of-Grey-Dilemmas.pdf.
- Brennan, N. and Kelly, J.** (2007). A study of whistleblowing among trainee auditors. *British Accounting Review* 39, 61–87.
- Burt, J., Paisey, C. and Henry, W.** (2011) Doing the right thing, *CA Magazine*, April, pp. 32-34.
- Chan, S.Y.S. and Leung, P.** (2006). The effects of accounting students' ethical reasoning and personal factors on their ethical sensitivity, *Managerial Auditing Journal*, 21, 4, 436.
- CISI** (2014). Speak Up, <https://www.cisi.org/cisiweb2/docs/default-source/cisi-website/education/speakuppdf.pdf?sfvrsn=2>. (Accessed 14 April 2019).
- Clarke, V. and Braun, V.** (2013). Teaching thematic analysis: Overcoming challenges and developing strategies for effective learning, *The Psychologist* 26, 120-123.

- CMA** (2018) Statutory Audit Services Market Study Update Paper, https://assets.publishing.service.gov.uk/media/5c17cf2ae5274a4664fa777b/Audit_update_paper_S.pdf (Accessed 1 April 2019).
- CMA** (2019). Statutory Audit Services Market Study Final Report 18 April 2019, https://assets.publishing.service.gov.uk/media/5cb89b2bed915d74fed24206/CMA_final_audit_market_report_A.pdf (Accessed 21 April 2019).
- Dondé, G.** (2016) Corporate Ethics Policies and Programmes, 2016 UK and Continental Europe Survey. London: Institute of Business Ethics.
- Dussuyer, I., Armstrong, A. and Smith, R.** (2015). Research into Whistleblowing: Protection Against Victimisation. *Journal of Business Systems, Governance and Ethics*, 10(3), 34-42.
- Edelman** (2019a). Edelman Trust Barometer, <https://www.edelman.com/trust-barometer> (Accessed 2 April 2019).
- Edelman** (2019b). Edelman Trust Barometer: UK Supplement, https://www.slideshare.net/Edelman_UK/edelman-trust-barometer-2019-uk-results-132908642 (Accessed 2 April 2019).
- Ewing, J.** (2016). VW Whistle-Blower's Suit Accuses Carmaker of Deleting Data, New York Times, 14 March 2016, https://www.nytimes.com/2016/03/15/business/energy-environment/vw-diesel-emissions-scandal-whistleblower.html?_r=0 (Accessed 2 June, 2017).
- Francis, Sir R.** (2015). Freedom to speak up. Chair: Robert Francis QC, http://freedomtospeakup.org.uk/wp-content/uploads/2014/07/F2SU_Executive-summary.pdf. (Accessed 3 April 2019).
- FRC** (2016). Audit Firm Governance Code, Financial Reporting Council, July 2016, <https://www.frc.org.uk/getattachment/8e2026c0-cac0-4faa-8326-4713511f139a/Audit-Firm-Governance-Code-July-2016.pdf>.
- FRC** (2018a). The UK Corporate Governance Code, Financial Reporting Council, July 2018, <https://www.frc.org.uk/getattachment/88bd8c45-50ea-4841-95b0-d2f4f48069a2/2018-UK-Corporate-Governance-Code-FINAL.PDF> (Accessed 28 November 2018).
- FRC** (2018b). Guidance on Board Effectiveness, <https://www.frc.org.uk/getattachment/61232f60-a338-471b-ba5a-bfed25219147/2018-Guidance-on-Board-Effectiveness-FINAL.PDF> (Accessed 28 November 2018).
- FRC** (2018c). Key Facts and Trends in the Accountancy Profession, London: Financial Reporting Council.
- Gao, L. and Brink, A.G.** (2017). Whistleblowing studies in accounting research: a review of experimental studies on the determinants of whistleblowing. *Journal of Accounting Literature*, 38, 1-13.
- Gao, J., Robert Greenberg, R. and Wong-On-Wing, B.** (2015). Whistleblowing Intentions of Lower-Level Employees: The Effect of Reporting Channel, Bystanders, and Wrongdoer Power Status. *Journal of Business Ethics* 126(1), 85–99.

- Goodwin, J. and Goodwin, D.** (1999). Ethical judgments across cultures: a comparison between students from Malaysia and New Zealand, *Journal of Business Ethics*, 18, 3, 267-281.
- Haswell, S. and Jubb, P.** (1995). Unethical tendencies, *Charter*, 66, 3, 102-103.
- Helliar, C. and Bebbington, J.** (2004). Taking Ethics to Heart, https://www.icas.com/__data/assets/pdf_file/0020/5474/Taking-Ethics-to-Heart-Helliar-Bebbington-ICAS.pdf.
- IBE** (2019a). Ethical concerns and lapses 2018, https://www.ibe.org.uk/userassets/briefings/ibe_ethical_concerns_and_lapses_briefing_2018.pdf (Accessed 2 April 2019).
- IBE** (2019b). Attitudes of the British Public to Business Ethics 2018, https://www.ibe.org.uk/userassets/surveys/ibe_%20attitudes_survey_2018.pdf (Accessed 1 April 2019).
- IBE, CEA and Forética,** (2015). Usage Levels of Speak Up Systems in European Companies 2015, European Survey Results. <http://www.ibe.org.uk/userassets/surveys/eu%20speak%20up%20benchmark%20report.pdf>. (Accessed 21 April, 2019).
- ICAS** (2009). Shades of Grey. Ethical dilemmas, https://www.icas.com/__data/assets/pdf_file/0011/2009/F8004-ICAS-Shades-of-Grey-Ethical-Dilemmas.pdf (Accessed 27 April 2019).
- ICAS** (2015). Personal Responsibility and Ethical Leadership, https://www.icas.com/__data/assets/pdf_file/0020/211268/The-Power-of-One-Personal-Responsibility.pdf. (Accessed 1 April 2019).
- ICAS** (2017). The Ethical Journey: The Right, the Good and the Virtuous, https://www.icas.com/__data/assets/pdf_file/0009/315945/PofO_1117_-xxxxxx-The-Ethical-Journey-NOV-2017_2.pdf. (Accessed 3 June 2019).
- ICAS** (2019). The CA Agenda, https://www.icas.com/__data/assets/pdf_file/0010/448579/CA-Agenda-Briefing-Pack.pdf (Accessed 1 April, 2019).
- Johnston, M.** (2015). Making transparency real? Accounting and popular participation in corruption control. *Critical Perspectives on Accounting* 28, 97-101.
- Lee, G. and Xiao, X.** (2018). Whistleblowing on accounting-related misconduct: A synthesis of the literature. *Journal of Accounting Literature*, 41, 1, 22-46.
- Lehman, G.** (2014). Moral will, accounting and the phronemos. *Critical Perspectives on Accounting*, 25, 210–216.
- Linklaters** (2014). Linklaters Employment team to launch a Listen Up campaign, 30 January 2014, <http://www.linklaters.com/Insights/Publication1386Newsletter/Insurance-Update-January-2014/Pages/Linklaters-Employment-team-launch-Listen-Up-campaign.aspx> (Accessed 18 April 2017).
- Manzoni, J.** (2016). Be confident to speak up – encouraging a positive whistleblowing culture in the Civil Service, <https://civilservice.blog.gov.uk/2016/10/17/be-confident-to-speak-up-encouraging-a-positive-whistleblowing-culture-in-the-civil-service/> (Accessed 9 May 2017).
- Mesmer-Magnus, J. R. and Viswesvaran, C.** (2005). Whistleblowing in Organizations: An Examination of Correlates of Whistleblowing Intentions, Actions, and Retaliation. *Journal of Business Ethics*, 62, 3, 277–297.

Milmo, D. (2012). Rolls-Royce whistleblower speaks out over corruption allegations. *The Guardian*, 11 December 2012, <https://www.theguardian.com/business/2012/dec/11/rolls-royce-whistleblower-speaks-out> (Accessed 2 June, 2017).

Molyneaux, D. (2008). What do you do now? Ethical Issues Encountered by Chartered Accountants, https://www.icas.com/_media/pdfs/technical-resources/research/research-publications/Ethical-Issues-Encountered-by-Chartered-Accountants-Molyneaux-ICAS.pdf (Accessed 27 April 2019).

NHS Improvement (2016). Freedom to speak up. Raising concerns (whistleblowing policy) for the NHS, https://improvement.nhs.uk/documents/27/whistleblowing_policy_final.pdf (Accessed 20 April 2019).

O'Leary, C. and Cotter, D. (2000). The ethics of final year accountancy students: an international comparison, *Managerial Auditing Journal*, 15, 3, 108-115.

Paisey, C., Paisey, N. and Tsalavoutas, I. (2019). Speak up? Listen up? Whistleblow? A Survey of ICAS Members, Edinburgh: ICAS.

Park, H., Bjørkelo, B. and Blenkinsopp, J. (2018). External Whistleblowers' Experiences of Workplace Bullying by Superiors and Colleagues, *Journal of Business Ethics* <https://doi.org/10.1007/s10551-018-3936-9>.

Parker, L.D. (2008). Boardroom Operational and Financial Control: An Insider View, *British Journal of Management*, 19, 65-88.

Ponemon, L.A. (1990). Ethical Judgments in Accounting: A Cognitive-Development Perspective, *Critical Perspectives on Accounting*, 191-215.

Ponemon, L.A. (1992). Ethical reasoning and selection-socialization in accounting, *Accounting, Organizations and Society*, 17, 3-4, 239-258.

Ponemon, L. and Gabhart, D.R.L. (1990). Auditor independence judgements: a cognitive developmental model and experimental evidence, *Contemporary Accounting Research*, 7, 1, 227-251.

Thomas, N. (2014). Tesco's £250m accounting black hole first flagged during Phil Clarke's reign, *The Telegraph*, 28 September 2014, <http://www.telegraph.co.uk/finance/newsbysector/retailandconsumer/11126509/Tescos-250m-accounting-black-hole-first-flagged-during-Phil-Clarkes-reign.html> (Accessed 2 June, 2017).

Trevino, L. and Youngblood, S. (1990). Bad apples in Bad Barrels: a Causal Analysis of Ethical Decision-Making Behaviour, *Journal of Applied Psychology*, vol. 75, no. 4 pp. 378-385.

Vandekerckhove, W., Fotaki, M., Kenny, K., Humantito, I.J. and Kaya, D.D.O. (2015). Effective Speak-up Arrangements for Whistle-blowers: A Multi-case Study on the Role of Responsiveness, Trust and Culture. London: ACCA, available at http://www.accaglobal.com/content/dam/ACCA_Global/Research/ACCA-ESRC%20Effective%20Speak-Up%20Arrangements%20for%20Whistle-Blowers.pdf (Accessed 21 April 2019).



CA House 21 Haymarket Yards Edinburgh EH12 5BH
enquiries@icas.com +44 (0)131 347 0100 icas.com

ISBN: 978-1-909883-55-0