



Guidance to the ICAS Code of Ethics:

Equality, Diversity and Inclusion

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Introduction

In November 2015, ICAS launched its business ethics initiative: [The Power of One](#). In November 2020, ICAS reiterated this call and issued second editions of The Power of One series of publications. The Power of One calls on all Chartered Accountants (CAs) to place ethical leadership at the heart of their professional responsibilities and to help shape the culture and values of their organisations. Every individual CA must take personal responsibility for living the ethical principles of their profession and every CA also has an important role to play in promoting ethical behaviour.

Regardless of whether a CA is newly qualified or has many years of experience, the five fundamental ethics principles in the [ICAS Code of Ethics](#) ('the Code'):

1. Integrity;
2. Objectivity;
3. Professional competence and due care;
4. Confidentiality; and
5. Professional behaviour.

should direct our individual behaviour and be at the heart of everything we do.

ICAS recognises that CAs are a force for good in the organisations in which they work. All ICAS Members are therefore encouraged to act as a catalyst for positive change in the accountancy profession, organisations and society generally.

Paragraph 1.1 of the 'Approach, Scope and Authority' section of the Code states: "The Code applies to all members of the Institute, affiliates, students, employees of a member firm or an affiliate, and member firms where relevant." This guidance is therefore equally applicable to all such individuals.

Equality, Diversity and Inclusion – A priority for ICAS

The seventeen [United Nations Sustainable Development Goals](#) (UN SDGs) adopted by all UN Member States in 2015 are the United Nations' framework for achieving a better and more sustainable future.

In 2019, ICAS identifiedⁱ 'Goal 5: Gender Equality' and 'Goal 10: Reduced Inequalities' as being two of a number of the UN SDGs which are particularly significant for ICAS and the accountancy profession (equality being interpreted by ICAS in its wider sense i.e. not only gender equality) with the adoption, promotion and embedding of a culture of equality, diversity and inclusion being a priority for ICAS.

The ED+I Committee (formerly known as the Guthrie Group) was set up to take ICAS' equality, diversity and inclusion strategy forward. The ICAS statement of intent, developed in consultation with the ICAS Membership in 2020, is as follows:

"ICAS is committed to placing equality, diversity and inclusion at the heart of all that we do. With our partner organisations, we are committed to building a diverse membership and workforce that reflects and advances the communities we serve. We aspire to lead our profession in addressing these challenges, so that we can learn, grow and advance together."

In addition, The ICAS Foundation, founded in 2012 with the help of ICAS, was set up to support academically talented young people facing economic and social barriers to further education, to gain a degree in accountancy and finance. These students face a variety of significant barriers to further education, including low household income, challenging family circumstances, limited awareness of opportunities and living in areas of multiple deprivation. The Foundation provides financial and mentoring support to enable them to build the skills and experience needed to enter the workplace.

Guidance to the ICAS Code of Ethics – Equality, Diversity and Inclusion

With effect from 1 January 2021, in order to highlight ICAS' commitment to the embedding of values of equality, diversity and inclusion, the [ICAS Code of Ethics](#) contains provisions to specifically emphasise a CA's responsibilities in relation to values of equality, diversity and inclusion. The amendments are in 'Subsection 111 – Integrity', 'Subsection 115 - Professional Behaviour', and also in Section 200 in relation to organisational culture.

To be clear, these amendments to the Code do not represent a change in the substance of the Code. By requiring professional accountants to adhere to the five fundamental ethics principles, the Code already prohibited behaviour by CAs which is contrary to values of equality, diversity and inclusion, even though there was no specific reference within the Code to these values.

These changes have been introduced to the 2021 Code to bring attention to values of equality, diversity and inclusion; to highlight that upholding these values is in the spirit of what it means to be a member of ICAS; and to emphasise the behaviours expected of individual CAs.

Individual ethical leadership

CAs can be found in all walks of life, business and society and, as noted above, need to take personal responsibility for the important role they have to play both in terms of their individual ethical behaviour and in terms of the positive influence they can have on the culture of the organisations in which they work.

Within the integrity and professional behaviour principles, CAs are now reminded to conduct themselves in a manner which respects values of equality, diversity and inclusion. This would include avoiding behaviours such as bullying and harassment.

Organisational culture

Corporate values often have ethical connotations but it is the individuals working within organisations who ultimately determine whether or not the ethical values which an organisation seeks to emulate are actually realised – it is the behaviour of the individuals within organisations which is of fundamental importance.

Within Section 200 of the Code, application material highlights the responsibilities of professional accountants in relation to organisational culture. CAs, especially those in senior positions, have a key role to play in establishing and embedding ethical values in an organisation, including values of equality, diversity and inclusion. Where the culture is not appropriate within an organisation, CAs at all levels - whether they are newly qualified or have many years of experience - can be a key catalyst for change. Clearly, the more senior the CA is in an organisation, the easier it will be to influence change, but every CA has their part to play.

Section 200 of the Code states that "accountants are expected to encourage and promote an ethics-based culture in the organisation", an example of which is encouraging the embedding of policies, procedures and training designed to promote and uphold values of equality, diversity and inclusion. This would cover for example:

- The employee lifecycle, from advertising for vacant roles through to the departure of the employee.
- The organisation's policies and procedures across people, processes and technology.
- The organisation's working practices and office culture.
- The organisation's customer offerings and how the organisation demonstrates its values to its customers and other stakeholders.

Organisations are also encouraged to consider having appropriate 'speak up' mechanisms in place so that concerns can be raised regarding behaviours or practices that may demonstrate a lack of equality, diversity and inclusion. Speaking up allows issues to be dealt with at the earliest opportunity before they escalate. However, if someone speaks up but nobody listens, then the speaking up will not be effective. There is therefore a need for managers to listen to concerns and then take action to investigate the issue.

CAs need to be their own leaders in ethical behaviour in order to meet their professional obligations. Individuals, and particularly CAs, must have the confidence to 'speak up' and influence the culture of organisations in which they work, to ensure that organisations interact with all their stakeholder groups in an ethical manner.

Summary of changes

The following changes were introduced to the ICAS Code of Ethics (detail provided below with changes highlighted in bold):

- an addition to the application material in **Subsection 111** in relation to the fundamental principle of Integrity;
- an addition to the requirement in **Subsection 115** in relation to the fundamental principle of Professional Behaviour;
- an addition to the application material in **Section 200** in relation to organisational culture and Professional Accountants in Business.

Detail of changes

Subsection 111 – Integrity (change highlighted in bold)

- R111.1 A professional accountant shall comply with the principle of integrity, which requires an accountant to be straightforward and honest in all professional and business relationships.
- 111.1 A1 Integrity implies fair dealing and truthfulness. ***Fair dealing includes respecting values of equality, diversity and inclusion.***

Subsection 115 – Professional Behaviour (change highlighted in bold)

- R115.0 *Professional accountants shall conduct themselves with courtesy and consideration towards all with whom they come into contact when performing their work.*
- R115.1 A professional accountant shall comply with the principle of professional behaviour, which requires an accountant to comply with relevant laws and regulations and avoid any conduct that the accountant knows or should know might discredit the profession. A professional accountant shall not knowingly engage in any business, occupation or activity that impairs or might impair the integrity, objectivity or good reputation of the profession, and as a result would be incompatible with the fundamental principles. ***This includes avoiding any conduct that would be counter to values of equality, diversity and inclusion.***

Section 200 – Professional Accountants in Business (change highlighted in bold)

- 200.5 A3 The more senior the position of a professional accountant, the greater will be the ability and opportunity to access information, and to influence policies, decisions made and actions taken by others involved with the employing organisation. To the extent that they are able to do so, taking into account their position and seniority in the organisation, accountants are expected to encourage and promote an ethics-based culture in the organisation. Examples of actions that might be taken include the introduction, implementation and oversight of:
- Ethics education and training programs.
 - Ethics and whistle-blowing policies.
 - Policies and procedures designed to prevent non-compliance with laws and regulations.
 - ***Policies, procedures and training designed to promote and uphold a culture of fairness, including respect for values of equality, diversity and inclusion.***

Values of Equality, Diversity and Inclusion

As there is no globally accepted definition of values of equality, diversity and inclusion, the terms are not specifically defined within the ICAS Code of Ethics. Reference to some material from different sources is provided below.

Fundamental Human Rights

Article 1 of the United Nations [Universal Declaration of Human Rights](#) (UDHR) states:

“All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood.”ⁱⁱ

In turn, the UDHR provided the foundation for the [European Convention on Human Rights](#), which was subsequently incorporated into UK law by the [Human Rights Act 1998](#).

Equality

In the UK, the [Equality Act 2010](#)ⁱⁱⁱ provides legal protection for individuals.

The Equality Act [prohibits](#) a person from discriminating against another person, either directly or indirectly, if, because of a protected characteristic, they treat them less favourably than they would treat others. It also protects against harassment and victimisation.

The following are the protected characteristics defined in [Section 4](#) of the Act:

- age
- disability
- gender reassignment
- marriage and civil partnership
- pregnancy and maternity
- race
- religion or belief
- sex
- sexual orientation.

Diversity and Inclusion

As an example, the UK's Chartered Institute of Personnel and Development (CIPD) states in its '[Diversity and inclusion in the workplace](#)' (2020) on-line factsheet^{iv}:

“While UK legislation – covering age, disability, race, religion, sex and sexual orientation among others – sets minimum standards, an effective diversity and inclusion strategy goes beyond legal compliance and seeks to add value to an organisation, contributing to employee wellbeing and engagement.

Diversity and inclusion often go hand in hand but are different from one another. This means that organisations need to consider both in their people management practices and strategies.

- Diversity is about recognising difference. It's acknowledging the benefit of having a range of perspectives in decision-making and the workforce being representative of the organisation's customers.
- Inclusion is where people's differences are valued and used to enable everyone to thrive at work. An inclusive working environment is one in which everyone feels that they belong without having to conform, that their contribution matters and they are able to perform to their full potential, no matter their background, identity or circumstances. An inclusive workplace has fair policies and practices in place and enables a diverse range of people to work together effectively.”

Similarly, the UK Home Office's ['Diversity and Inclusion Strategy 2018 - 2025 Inclusive by Instinct'](#)^v states: "Diversity is about recognising the value of difference....Inclusion is about ensuring we get the best from everyone".

ICAS Ethics Resources

ICAS is committed to providing ethics resources and support to its Members. Since 2015, ICAS has published a series of publications, guidance and resources as part of The Power of One initiative which are all available on [icas.com](https://www.icas.com).

In November 2020, to mark the fifth anniversary of The Power of One, ICAS issued second editions of its series of publications on ethical leadership:

- [Ethics – The Power of One](#)
- [The Power of One – Personal responsibility and ethical leadership](#)
- [The Power of One – Moral courage](#)
- [The Power of One – Personal Reputation](#)
- [The Power of One – Organisational culture and values](#)
- [The Power of One – The CA and the organisation](#)
- [The Ethical Journey – The Right, the Good and the Virtuous](#)

ICAS also offers the following:

- [guidance on conflict of interest](#);
- [an ethical decision making framework](#);
- [ethics videos](#);
- [case studies](#), including CAs' real-life ethical dilemmas featured within the ICAS research publication [Speak Up? Listen Up? Whistleblow?](#); and
- [research](#).

From 1 January 2021, compulsory ethics CPD is introduced for all ICAS Members. This does not involve compulsory attendance at courses or the purchase of material – it could simply mean some reading of ethics-related material available online. In addition to ICAS' own ethics resources as noted above, other websites provide useful sources of information as explained on [icas.com](https://www.icas.com).

If you have an ethical query, including a query on the provisions within the Code of Ethics in relation to values of equality, diversity and inclusion, ICAS offers an [Ethics Helpline Service](#).

ICAS is also partnered with [Protect](#) to provide ICAS Members and students with access to an independent whistleblowing advice helpline. This service offers free advice regarding whistleblowing and speaking up.

ⁱ https://www.icas.com/_data/assets/pdf_file/0005/536207/ICAS-Annual-Review-2019.pdf (accessed 25 January 2021) ICAS Annual Review 2019, page 20

ⁱⁱ <https://www.un.org/en/universal-declaration-human-rights/> (accessed 4 February 2021), United Nations, The Universal Declaration of Human Rights, Article 1

ⁱⁱⁱ <https://www.legislation.gov.uk/ukpga/2010/15/contents> (accessed 15 February 2021), Equality Act 2010

^{iv} <https://www.cipd.co.uk/knowledge/fundamentals/relations/diversity/factsheet#6424> (accessed 16 February 2021) Chartered Institute of Personnel and Development (CIPD), London; 'Diversity and inclusion in the workplace' [online] Factsheet; dated 11 May 2020; with the permission of the publisher, the Chartered Institute of Personnel and Development in London (www.cipd.co.uk)

^v https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/739538/Diversity_and_Inclusion_strategy_SCREEN.pdf (accessed 25 January 2021) Home Office, Diversity and Inclusion Strategy 2018-2025 "Inclusive by Instinct", published 11 September 2018, page 4



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