



***Ethics and  
Business  
conduct***

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# *What is ethics?*



**“ ETHICS IS NOT DEFINABLE, is not implementable, because it is not conscious; IT INVOLVES NOT ONLY OUR THINKING, BUT ALSO OUR FEELING.”**

# ***FIJI INSTITUTE OF ACCOUNTANTS***

## ***Supplementary Code of Ethics***

The Supplementary Code of Ethics recognises that the objectives of the accountancy profession are to work to the highest standards of professionalism, to attain the highest level of performance and generally to meet the public interest. These objectives require four basic needs to be met:

## ***1. Credibility***

***In the whole world of society there is a need for credibility in information and information systems.***

## ***2. Professionalism***

***There is a need for individuals who can be clearly identified by clients, employers and other interested parties as professional persons in the accountancy field.***

## ***3. Quality of Services***

***There is a need for assurance that all services obtained from a professional accountant are carried out to the highest standard of performance.***

## ***4. Confidence***

***Users of the services of professional accountants should be able to feel confident that there exists a framework of professional ethics which governs the provision of those services.***

*The institute's Fundamental Rules and Code of Ethics do not purport to cover all aspects of ethical and professional conduct expected of a member. This is because the Council believes that ethical conduct in the profession consists principally of an attitude of mind rather than compliance only with some specific written words, and members and those in their service are expected to comply with the spirit of ethical professional conduct and the letter of the law.*

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# ***Why Do We Need Ethics and Business Conduct?***

- Doing the right thing
- Complying with our legal, professional and regulatory environments
- Managing the expectations of our customers, employers, employees and the public
- Enhancing and preserving yours and company's reputation
- Accommodating the diversity of our people and services
- Retaining and devouring good people and customer base



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# *Standards of Business Conduct*

*Personal conduct*

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*Confidentiality*

# *Standards of Business Conduct*

*Personal conduct*

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*Integrity*

# *Standards of Business Conduct*

*Personal conduct*

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*Objectivity*

# *Standards of Business Conduct*

*Personal conduct*

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*Integrity*

*Objectivity*

*Independence*

# *Standards of Business Conduct*

*Personal conduct*

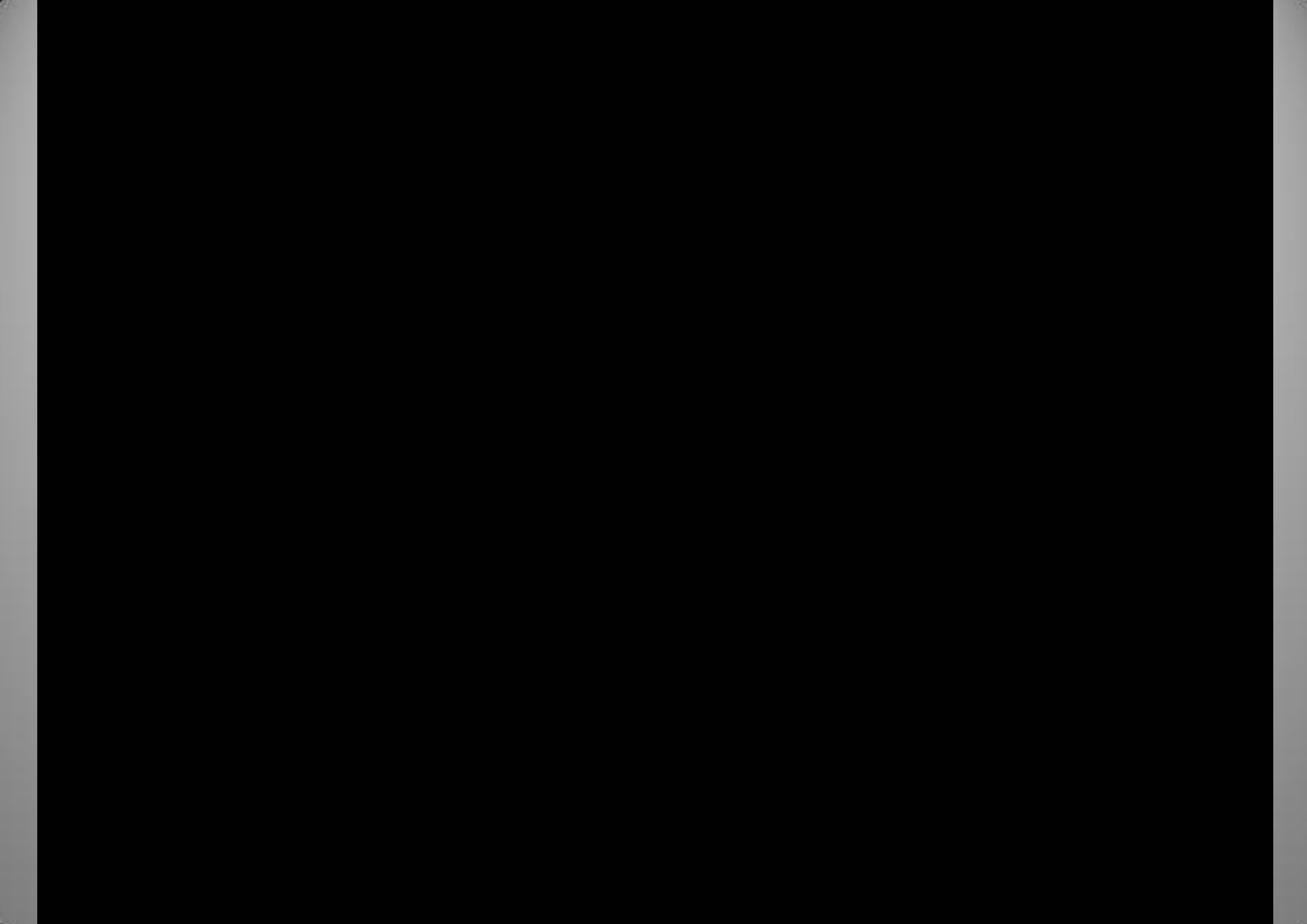
*Confidentiality*

*Integrity*

*Objectivity*

*Independence*

*Professional  
scepticism*



# *Ethical Standards*

## *Why is ethical behaviour important to us?*

- Indicates trust
- Safeguards the **reliability** of financial information

## *What are ethical standards?*

- **Matter of law** at all levels of government
- **Suspension of right to practice** for violations
- Codes of Conduct **built within** an accounting institute/body
- **Severe penalties** under the civil liabilities system



Corporate integrity and ethics have never been under such scrutiny-tax, the environment, anti-bribery, supply chain, remuneration, business behaviour, and more-allied to the overplayed and unfair perception that business is not to be trusted. There's widespread cynicism about the intentions and conduct of business. Rebuilding trust requires businesses to do the right things for the right reasons.

# TOP 10 THEMES EMERGING ON ETHICAL BUSINESS CONDUCT

*1. Prevention is better than cure: companies must measure their integrity risk and get their own house in order-do not wait until it is too late.*

- Scale and severity of risks
- Do not wait for the problem to emerge
- Identify where the gaps are
- Integrity risk assessment
- Areas most unchangeable to unethical Business Conduct

# TOP 10 THEMES EMERGING ON ETHICAL BUSINESS CONDUCT

*2. It's a journey, not a single step: embedding integrity and ethics takes time, effort and long-term commitment.*

- Culture and Change Programme
- Culture Over Rules
- Time Lines

*Embedding ethics is about cultural acceptability at all levels. As colleague once said to me: 'You can't write everything down. You don't tell people not to pee in the pot-plants-but they don't do it anyway because it's culturally unacceptable.' By making them doing the wrong thing culturally unacceptable you help to embed the right behaviour.*

# *TOP 10 THEMES EMERGING ON ETHICAL BUSINESS CONDUCT*

## *3. Tone and authenticity from the top are key*

- Behaviour of Leaders
- Saying One Thing- Doing the other

*Disciplinary processes are very important. If someone senior in the organisation falls on his or her sword, that sends a very powerful message*

*4. Beware of the 'muddle in the middle'*

- Middle Management can derail/block
- Adherence to Organisational Values
- Pressure-Doing 'Wrong Thing'
- Constant Re-inforcement
- Whistle Blowing Policy

*Messages should be kept simple. If a message is cascaded down through an organisation and at each level a manager adds something to it, there is a risk that the original message will become obscured and it's meaning lost.*



# *TOP 10 THEMES EMERGING ON ETHICAL BUSINESS CONDUCT*

## *5. Make the organisation's purpose and values explicit*

- Advisors / Officers
- Internal Monitoring
- 'Moral Compass'

*There's no single right thing to do. It's relative and situational. Social values and perspectives are constantly shifting over time, meaning the yardstick that society and the media apply to organisational behaviour is also changing, as part of that journey. As a result, any definition of 'doing the right thing' cannot be set in stone, but will always be relative to the time and context in which it's created and applied. What was right yesterday may not be right today.*

# *TOP 10 THEMES EMERGING ON ETHICAL BUSINESS CONDUCT*

## *6. Keep messages simple and emphasise values over rules*

- Understanding Values
- Rules- Box Ticking Exercise

# TOP 10 THEMES EMERGING ON ETHICAL BUSINESS CONDUCT

## *7. Target the critical decision-making moments that matter-and measure the results.*

- What happens at key moments
- Every situation is different
- Measure processes

# *TOP 10 THEMES EMERGING ON ETHICAL BUSINESS CONDUCT*

## *8. Base regulatory compliance on ethics- not the other way round.*

- Internal audit functions
- Rewards
- If laws bridged

*Pride in your organisation is the best compliance tool you will ever have. If your people feel good about the organisation and proud of its ethical culture, then they won't do bad things- or stand by and see bad things being done in the business. Pride turns everyone into compliance officer.*

## *TOP 10 THEMES EMERGING ON ETHICAL BUSINESS CONDUCT*

*9. If the worst happens-investigate, self-report to the authorities, and 'co-operate, co-operate, co-operate'*

- Readiness to admit/tackle
- No protection-all levels

## *TOP 10 THEMES EMERGING ON ETHICAL BUSINESS CONDUCT*

*10. Much of this comes down to trust- both internal and external*

- External / internal trust
- Employees – Leadership Trust



*For an international company to do business ethically everywhere it operates can be extremely difficult. It requires strong management. You have to have people who go in and make sure it happens. But if the reality is that you can't do business in a particular place without being corrupt, then you have to stop doing business there. It's as simple as that.*

*Embedding ethical conduct is about building trust at all levels of the organisation and in all its relationships. This takes time and can be painful. It's not a quick fix you can do overnight. It's about building confidence among people at all levels that it's OK to question, to challenge and to say 'no!'*

*Doing the right thing comes down to values. Values are universal but rules are not. If an organisation's values are based around transparency, honesty and ethical behaviour, it has a much better chance of getting things right.*

# *How do you Build Trust?*

*In how you do Business?*

*With each other?*

*How do you build trust?*

*In communities?*

*In how we use  
information?*

# *Build Trust in How You Do Business*

Behave with integrity

Your reputation is defined by trust

Quality and impact of your work is critical to your Organisation

Your business judgement is free from bias

Avoid circumstances that might be seen as threats

# ***Demonstrate Integrity by...***

***Negotiating and securing contracts lawfully and honourably***

***Speaking up for what is not right***

***Competing fairly***

***Respecting your competitors' confidential information***

***Never engaging in bribery or corrupt practices.***

***Knowing the identity of those with whom you do business***

# ***Build Trust with Each Other***

Encouraging collaboration

Valuing diversity in the workforce

Providing safe working environments

Promoting a culture that cares about innovation

Not tolerating harassment, bullying or disrespectful behaviour

Investing in people

Respecting and encouraging open dialogue

Speak up for yourselves and others

# ***Build Trust in Our Communities***

Further your contribution to society by using our skills and experiences

Support a more sustainable society

Help solve important social problems

Respect and honour the customs of the country in which you do business

Participate in dialogue to help shape legislation

Support the rule of law in your interactions with regulators

Minimise the environmental impact of your business

Encourage and support the involvement in community activities

Care about human rights

Responsible tax payers



# ***Build Trust in How We Use Information***

Respect and protect privacy and confidentiality of information

Treat confidential information in a way that is transparent and promotes trust

Protect information and assets to which you have access

Secure and keep records

Don't trade on or inappropriately disclose inside information

Thoughtful in our communication online and off

You are clear that personal views expressed are your own and not of your company

Comply with copyright and intellectual property laws

# *Consequences of Not Acting Ethically*

## *To you*

- Disciplinary action
- Suspension / fine
- Failure to meet an institute's admission requirements
- Embarrassment

## *To the Employer*

- Litigation
- Disciplinary action

# ***Your Ethical Responsibilities***

- ***Conduct yourself in accordance with the Organisation's values and behaviours***

Live to your vision and values

- ***Know the resources available to you***

Knowledge is power

- ***Be a role model for your colleagues***

Set the example

- ***Feel empowered to speak up***

Understand the process

- ***Recognise the event/issue***

Take action

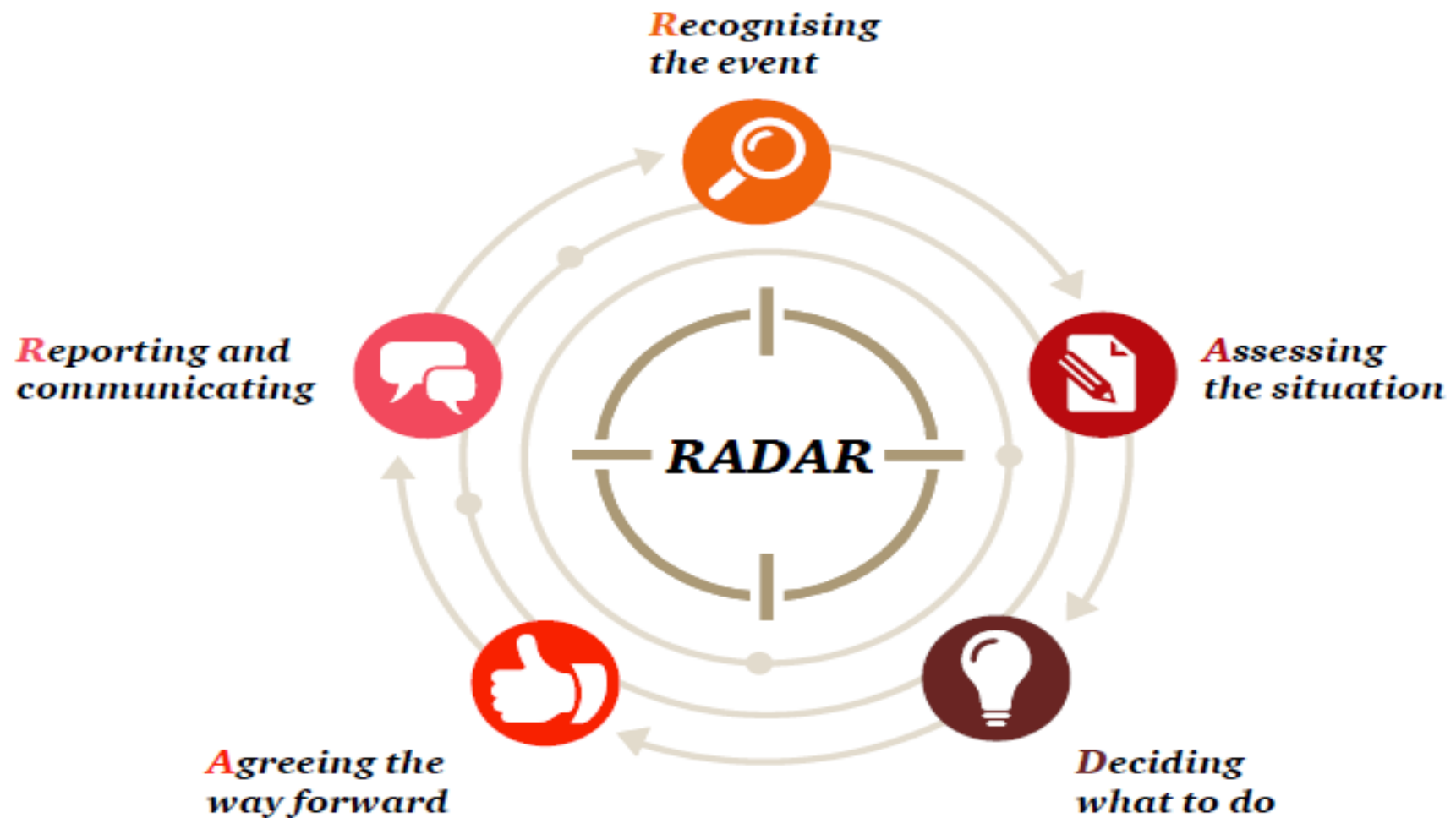
- ***Challenge inappropriate behaviour***

Be an advocate

- ***Consult with others***

Never 'go it alone'

# ***RADAR: A Framework for Deciding the Right Thing to Do***



## ***Scenario 1***

You use or take company supplies for personal purposes  
(Gift wrapping tape, printing your assignment, making  
copies of your child's essay)

**Clearly Ethical**

**Ethical but a bit fuzzy**

**Clearly Unethical (The wrong thing)**

## ***Scenario 2***

You are single and in your late 20's. On your way home, you meet a homeless man on the street that hands you a lottery ticket. He claims that he found it on the ground and wouldn't know how to use it. You thank him and go on your way. Later, you find out that the lottery ticket was a winner and is now worth \$500,000.

**Keep all the money. The lottery ticket was a gift and you need it to start over**

**Locate the homeless man and split the profits, it's only fair**

**Donate all of the money to a homeless shelter to help the man and others that are in an even worse financial predicament than you**

## *Scenario 3*

In a public restaurant you overhear two colleagues discussing confidential information about a customer. They mention the customer by name. Would you:

**Ignore it**

**Talk to your colleagues about your concerns about confidentiality and leave it at that**

**Report them to your line manager**

