



Update on possible changes to the ICAEW Code of Ethics

STATUS

1. Confidential (policy development)
2. For information

EXECUTIVE SUMMARY

3. IRB members may recall that the (now) ICAEW President decided to focus on ethics as the major theme of Council conference in July 2022. The PSD Chief Officer was asked to run workshops after the end of the plenary session focusing on whether the current five fundamental principles are the right ones and cover everything necessary in relation to the conduct of members.
4. There was consensus at Council conference workshops around a project being started to review the wording of the fundamental principle of professional behaviour. The responsibility for this project was given to Sophie Wales, Head of Regulatory Affairs and Policy, when she re-joined PSD in the Autumn of 2022.
5. This paper provides an update on the steps which have been taken so far in this project and seeks input from IRB members on the various options so that the IRB feedback can be included when the proposals are set out for Council at its June meeting.

UPDATE ON THE CURRENT PROJECT

6. After an initial working group meeting with ethics specialists from a number of ICAEW firms, and discussions within senior executives in PSD and other departments, and further discussions with the President, the Head of Regulatory Affairs and Policy drafted a paper proposing four options for changes to the Code of Ethics. This paper can be found at **Appendix 1**.
7. There has also been a subsequent suggestion made during a discussion at the Ethics Standards Committee to combine Options 3 and 4 with wording that requires members to act in accordance with standards that society expects in all professional and business relationships, and to give the examples from the other option as non-exhaustive interpretation (i.e. to treat people fairly, and not bully or harass them etc). However, there was no unanimity for this but a few committee members, and the chair, were in support of this combined option on the basis

that it would give breadth but also help interpret what types of behaviour were meant. So, this combination of Options 3 and 4 may suggest an alternative 5th Option.

NEXT STEPS

- 8. Next steps for the project are to consult with other relevant ICAEW groups, carry out a pre-briefing of Council members and then to hold a discussion in Council on 6 June meeting. Subject to obtaining Council support for one of the proposals, the proposal is that any wording change would then go out for public consultation.

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