Threats and safeguards
Under pressure: BeeZed Case Study

A version of this case study was used as basis for the discussions in the Acting Under Pressure report. Read the full case study and how groups in different regions approached the dilemma in the report online.

The case

BeeZed is a multinational construction and property management company valued at $US1.5BN, and it is listed on a major stock exchange. The company has formal presence in many major cities and construction projects around the world, ranging from road building, construction of public sector buildings, including hospitals, schools and university buildings to commercial contracts for office buildings. Some of the construction projects that BeeZed is involved with are financed by private finance initiative (PFI).

BeeZed has a good reputation in this industry for quality and safety as well as its ability to deliver projects on time. These are all critical success factors for keeping its existing customers content and for providing a basis for winning future business. On its global HQ website it has its publicly stated code of ethics and corporate values, which reflect best practice, as well as publicising its CSR activities which include support in youth education, and in affected countries HIV/Aids outreach.

Sara, a professionally qualified former colleague of yours from another country is joining BeeZed Community Divisions as a finance business partner. She contacts you to ask your advice regarding potential challenges and risks to ethical practice in your country.

Discuss

Discuss the questions below considering application of the Code of Ethics’ fundamental principles (detailed on next page). Draw up an action plan and outline threats and safeguards based on the fundamental principles of the Code.

**Threats:** What are the possible challenges, risks, threats and ethical pressures Sara may face in upholding her professional code?

**Safeguards:** What safeguards should be put in place?

- What other support is needed?
- Where is it likely to come from?
- What protection might there be?
Issues to consider

Is there potential pressure in:
- Awarding contracts
- Compiling year end accounts
- Compiling management accounts
- Meeting deadlines
- Working with colleagues from other functional areas
- Awarding bonuses/incentives

Other issues to consider:
- Customer expectations
- Any fear of repercussions
- Channels for reporting
- Legal/regulatory support
- Extra support/who else needed to action

Fundamental Principles of the CIMA code of ethics*

100.5 A professional accountant shall comply with the following fundamental principles:

(a) **Integrity** – to be straightforward and honest in all professional and business relationships.

(b) **Objectivity** – to not allow bias, conflict of interest or undue influence of others to override professional or business judgments.

(c) **Professional Competence and Due Care** – to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional services based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards.

(d) **Confidentiality** – to respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of the professional accountant or third parties.

(e) **Professional Behavior** – to comply with relevant laws and regulations and avoid any action that discredits the profession.

* The CIMA code of ethics is based on the IFAC (International Federation of Accountants) handbook of the code of ethics for professional accountants, of the International Ethics Standards Board of Accountants (IESBA), published by IFAC in April 2010 and is used with permission by IFAC.

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