CIMA ETHICAL DILEMMA CASE STUDIES

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‘I’m working for a young firm in profit for the first time, but I’m concerned about cash-flow risks and the board has not acted’

THE DILEMMA

I work at a privately owned company that has two majority shareholders on its board, one of whom is the CEO. The firm is still quite young and, having enjoyed impressive growth, it’s in profit for the first time. But I talk with the CEO every day about the cash flow risks we run by overtrading. The board is also aware of this, but it has not acted to raise more cash to ensure that we can pay our creditors when necessary. Do I need to put anything official to the board in writing?

CIMA’S RESPONSE

You should use your professional judgement to determine when and how to approach the board to ensure that it acts on your concerns. Review the principle of integrity, (section 110 of the CIMA code of ethics), as creditors may be affected. Also consider section 150 on regulatory obligations and professional behaviour.

For the code and other online ethics resources, visit www.cimaglobal.com/ethics