CIMA ETHICAL DILEMMA CASE STUDIES

This dilemma appeared in Financial Management Magazine (May 2014)

‘My company prioritised settling with its trade creditors over paying tax’

THE DILEMMA

I am the financial controller of a small firm that’s in difficulties. The company has prioritised settling with its trade creditors over paying its taxes, although I often voice my concerns about this. Its actions are making me feel exposed – I have no say over who gets paid, even though I am a cheque signatory and I’m the one who’s expected to deal with HM Revenue & Customs.

CIMA’S RESPONSE

Ensure that you document your concerns regarding the allocation of payment and highlight how important it is for the firm to meet its obligations to HM Revenue & Customs. As a cheque signatory and a professional, you need to ensure that you are upholding objectivity (section 120 of CIMA’s code of ethics) and that your actions are not being compromised as the result of undue influence from other people. You must comply with any relevant laws and regulations (professional behaviour, section 150), using your judgement to influence the effective running of the business.

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