

TREASURERS' ETHICS

'OUR INTEGRITY AND PROFESSIONAL COMPETENCE MEANS THAT WE HAVE TO SET ASIDE PERSONAL CONSIDERATIONS WHEN CONTEMPLATING THE RIGHT ACTION...'

When the economy was booming it was easy to adhere to high ethical standards. Openness, transparency, clarity of purpose were foremost in the treasurer's dealings with financial counterparties. But is it so straightforward when times are harder?

The treasurer is liable to become caught between several forces. His Finance Director will want to maintain a 'no surprises' approach that is founded on the need to maintain a steady flow of information showing the company is in control. His bankers will become more probing in their questions. Banking covenants that looked remote constraints a year ago may now loom large. Cashflows will reduce and may become sharply unpredictable. Stress builds up and colleagues may be less easy to approach. An embargo may be placed on talking to counterparties about the company 'while things are sorted out'.

How should a treasurer balance loyalty to his company and colleagues, his obligations to financial counterparties and shareholders, and his natural desire to keep his job?

Since its inception the Association has founded its activities on the development of a new profession, that of company treasurer. All members are guided by an Ethical Code based on integrity, independence in professional judgement, courtesy, professional competence, confidentiality and compliance with the law and codes of other professional bodies to which the treasurer may belong. The code is published in *The Treasurers Handbook* and is available online at www.treasurers.org/ethical.html. Members with ethical concerns can speak in confidence to Rev. Justin Welby, a former treasurer (see inside back cover for details).

Those with whom we deal rightly expect the highest professional standards from us, not just in observing the letter of an agreement, but in its spirit also. For this reason each of us must look independently at what we are being asked to do in the performance of our job and consider if it may result in others being misled. We need to ensure that matters have been researched thoroughly with all the relevant factors brought into consideration. But one of these is not the treasurer's desire to keep his job. Our integrity, independence in professional judgement and professional competence means that, however difficult, we have to set aside personal considerations when considering the right action.

In the new year, our Association will begin welcoming the representatives of those companies that decide to take up corporate membership. Corporate representatives will be bound personally by the same ethical code as members of the Association and their companies, in seeking corporate membership, will be required to ensure that their representative behaves accordingly.

Perhaps this should be a trigger for the Association to review its ethical code and for all of us to take a closer look at our continuing compliance with the code.

Oceanus welcomes comment from readers, which may be published anonymously if requested. Email oceanus@treasurers.co.uk or fax 0207 248 2591.