

Institute for Ethical Consulting

Excellence: Integrity: Empowerment



Institute For Ethical Consulting

Code of Ethics

The IFEC Code of Ethics is maintained and administered by IFEC Members to ensure that it accurately represents the ethical standards of the industry

EthicsCode/V1.3/AU-NZ
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Institute for Ethical Consulting,
43 Robin St,
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Or
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Introduction

The *Institute for Ethical Consulting* (IFEC) was established to ensure the highest standards of ethics, integrity and service in, and to advance the image and reputation of, the consulting sector.

The IFEC recognises that consultants, because of the sensitive nature of their work and their exposure to privileged and commercially sensitive information, are held to the highest standards of ethical behaviour and hereby sets forth the basic fair and ethical principles and practices which members of the institute undertake to meet as a minimum standard in the conduct of their business.

The cornerstone of the *Institute for Ethical Consulting's* commitment to ethical business practices is this Code of Ethics. Every member pledges to abide by the code's standards and procedures as one of the conditions of admission and continuing membership in the IFEC.

The IFEC Code of Ethics speaks to both the client and the seller of consultancy services. It ensures that members will make no promises or statements to deliberately mislead their clients, will conduct themselves with integrity and will deliver services and deliverables with integrity and to a professional standard in order to maintain the reputation of the IFEC and of the consulting industry in general.

The IFEC Code of Ethics is not merely an aspirational document: it contains specific mechanisms for enforcement.

The Code of Ethics is enforced by an Ethics Committee consisting of IFEC members nominated and voted for by IFEC members or, if an Ethics Committee has not been empanelled, the IFEC Board of Directors will assume the functions of the Ethics Committee. The Ethics Committee will investigate and arbitrate any complaints received by the IFEC about its members to try to bring about a resolution satisfactory to everyone involved and is empowered to recommend remedies. All IFEC members have agreed to honour the Ethics Committee's decisions and failure to comply with a recommendation may result in expulsion from the IFEC. The Ethics Committee may also authorize the payment of up to \$2,000 (as per Section 5.1) to complainants: such a payment shall in no way indicate any liability on the part of the IFEC or of its members, nor shall it limit the complainant's right to seek compensation by other means unless this is a specific condition of the payment.

The Ethics Committee also provides advice to IFEC members on ethical dilemmas.

This Code of Ethics is intended to be a 'living document' in that it is to be constantly revised and amended to best reflect the needs of both the consumers and providers of consulting services in the furtherance of the IFEC's mission, and therefore the Ethics Committee welcomes suggested amendments from interested parties.

Regards,



Ian Green

Chairman, Board of Directors

1. Interpretation

This Code of Ethics is based on the principals of ethics, integrity and fairness and as such is impossible to fully codify: any list of exclusions will necessarily have omissions, and any list will also have exceptions in certain circumstances. But to be useful as an ethical guide, and to be enforceable, any Code of Ethics must attempt to strike a balance between principal and codification.

With this in mind, the Ethics Committee responsible for the interpretation, guidance and enforcement of this Code of Ethics will be guided by the spirit rather than the strict letter of the Code, taking into account the circumstances of each case and attempting, above all, to reach a fair decision.

Recognizing that some ethical decisions may not be clear, the Ethics Committee will provide a written response to any member's questions provided that the question is submitted in writing and prior to any action being taken by the member.

2. Code of Conduct

2.1. Respect for the profession

IFEC members will conduct themselves in a manner which will merit the respect of the community for persons engaged in the profession.

2.2. Respect for the IFEC

IFEC members will uphold the reputation of the *Institute for Ethical Consulting* and of their fellow members.

2.3. Professional Integrity

IFEC members will carry out their professional duties responsibly and with integrity.

2.4. Confidentiality

IFEC members will not discuss with or disclose to any person not authorized by the client or their delegated representative any information, data, result, report or proposal arising from the assignment, nor cause or allow confidential information to be misused or to be published in any way without the permission of the client.

2.5. Commercial In Confidence

IFEC members will not use information acquired during any previous assignments which could in any way be detrimental to their former client.

2.6. Deceptive or Unlawful Practices

No member of the IFEC shall engage in any deceptive, unlawful or unethical practice. Members shall endeavour to ensure that no statements, promises or testimonials are made which are likely to mislead clients.

1. *As used in this section, "unethical" means 'in violation of the IFEC Code of Ethics'.*

2. *The IFEC Ethics Committee will determine what is a deceptive, unlawful or unethical practice under the IFEC Code of Ethics based upon the principals of integrity and fairness rather than on a legalistic basis: the Code of Ethics is a guideline, and each case will be assessed on its own merits.*

2.7. Consultancy Services

The offer of consulting services by members of the IFEC shall be, insofar as is possible, accurate and truthful. A client's order for services shall be fulfilled in a timely manner.

2.8. Contracts

Prior to the commencement of any consulting work IFEC members will provide a written contract to the client which sets forth in language that is clear and free of ambiguity:

2.8.1. All the terms and conditions of the project, including the deliverables, with specification of the time-frame for completion and the total amount the client will be required to pay, including all interest, service charges and fees, and other costs and expenses as required by Federal and State law and specifying progress payments, if applicable;

2.8.2. The name and address of the member represented;

2.8.3. The name and address of the client; and

2.8.4. Date and signatures of both parties.

2.9. Warranties and Guarantees

The terms of any warranty or guarantee offered by the member shall be furnished to the client in a manner that fully conforms to federal and state warranty and guarantee laws and regulations.

2.10. Identification and Privacy

IFEC members shall truthfully identify themselves, their company, their products and the purposes of their solicitation to the prospective client. Contact with the client shall be made in a reasonable manner and during reasonable hours to avoid intrusiveness.

2.11. No Independent Contractor Defence

In the event the IFEC should receive a complaint that a representative or agent of a member has engaged in any unethical conduct, the member will promptly investigate the complaint and will take appropriate measures to redress any wrongs which it finds to have been committed.

Members will be considered responsible for ethical violations by their agents and representatives where the Ethics Committee finds, after considering all the facts, that a violation of the Code of Ethics has occurred and the independent contractor status of such persons is not a defence against violation allegations.

2.12. Respect for the Code of Ethics

Members recognize that the success of this Code of Ethics requires awareness amongst their employees, agents and representatives and clientele and will endeavour to create such awareness and respect. No member shall attempt to persuade, induce or coerce another party to breach this Code of Ethics, and hereby agree that inducing a breach of this Code is itself a violation of the Code.

2.13. Required Publication

All members are required to submit to IFEC, along with their application for membership, or in the case of existing members along with their next dues payment, a statement as to how the member plans to publicize the IFEC's Code of Ethics to its staff and clients. The statement shall contain, at a minimum, one of the following:

- an inclusion on the member's web site of the IFEC's Code of Ethics with a step-by-step explanation as to how to file a complaint; or
- a link from the member's web site to the IFEC's Code of Ethics with a clear, bold faced statement as to how to make the connection.

All members, after submission of their statement, are required to state annually, along with paying their dues, that the program remains effective or indicate any change.

2.14. Responsible Officer

Each member and pending member, where the member is not an individual, is required to designate an IFEC Code of Ethics Responsibility Officer. The Code Responsibility Officer is responsible for facilitating compliance with the Code by their company and responding to inquiries by the IFEC Ethics Committee. He or she will also serve as the primary contact at the company for communicating the principles of the IFEC Code of Ethics to their company employees, clients and the general public.

3. Administration

3.1. Filing a complaint

Anybody having a complaint against a consultant that is a member of the Institute for Ethical Consulting (IFEC) for any business practice they believe to be unethical or in violation of the IFEC Code of Ethics, should follow these steps:

- Contact the consultant immediately and explain your concerns;
- If the consultant cannot or will not satisfactorily correct the problem, and if the consultant works for a company, call or write their company explaining the situation and outlining the steps you would like to see taken;
- If the consultant or his company does not resolve the problem and is a member of the Institute for Ethical Consulting, you may file a complaint with the IFEC Ethics Committee.

Complaints can be lodged online, by completing the [Complaint Form](#) found on the [IFEC web site](#). Your information will be forwarded to the IFEC Ethics Committee which will investigate the situation and contact you directly.

Or, complaints may be made in writing by mailing or faxing the address below. Your complaint should include the following basic information:

- The date and details of the incident;
- The parties involved;
- If possible, identify the Code violation you believe has occurred;
- Efforts you have made to resolve the matter;
- List the cost and nature of the services that are the subject of the complaint and include copies of relevant contracts, invoices or other supporting documents;
- Any responses the other parties have made to resolve the matter;
- The current status of the complaint;
- How you would like to see the complaint resolved or remedied.

Send your written complaint to:

Ethics Committee
Institute for Ethical Consulting

43 Robin St
Lakes Entrance VIC 3909 Australia
FAX +61 (03) 5155-5234

The Ethics Committee will do everything possible in accordance with the procedures of the Code of Ethics to resolve the problem to the satisfaction of all parties. Copies of this [Code of Ethics](#) are available on our web site or upon request to the Institute for Ethical Consulting. The Ethics Committee is empowered to determine appropriate remedies and IFEC members have agreed to be bound by their decisions.

3.2. What to expect after filing a Complaint

Complaints are lodged directly with the IFEC's Ethics Committee. This is to protect your anonymity and privacy in that only the Ethics Committee has access to confidential information and has the duty to ensure that it remains confidential. When a complaint is received the Ethics Committee reviews and analyses the complaint.

If you file your complaint electronically, you will receive an email confirming receipt of your complaint. You may also fax or mail your complaints to the IFEC Ethics Committee by using the [Complaint Form](#) found on the [IFEC web site](#) or by requesting a Complaint Form from the IFEC. Please make sure that all information is completed, including the name of the IFEC member that is the subject of the complaint.

After the Ethics Committee reviews your complaint, they will contact the IFEC member in question to obtain such information as is necessary to determine if a breach has occurred. After investigating the allegations the Ethics Committee will send you a letter outlining their assessment of your complaint and a recommended remedy.

Within 30 days of receiving the Ethics Committee's letter, you should be contacted by the IFEC member who, as an IFEC member, must abide by the Ethics Committee's decision. If you do not hear from the member within 30 days, please contact the IFEC and we will make sure that your complaint is addressed.

The IFEC does its best to ensure that your complaints are handled appropriately, discretely and expeditiously. If you have any further questions, please do not hesitate to contact the IFEC at +61 3 5155-5234.

3.3. Ethics Committee Accountability

The Board of Directors of the Institute for Ethical Consulting shall appoint an Ethics Committee Chairperson from amongst the elected Ethics Committee members to serve for a 12-month term. The Board shall have the authority to discharge the Ethics Committee. The Board shall provide sufficient authority to enable the Ethics Committee to properly discharge the responsibilities entrusted to the Ethics Committee under this Code. The Ethics Committee will be responsible directly and solely to the Board. The Board of Directors will establish all regulations necessary to administer the provisions of this Code.

3.4. Ethics Committee Chairperson

The Ethics Committee Chairperson shall be a person of recognized integrity, knowledgeable in the industry, and of a stature that will command respect by the industry and from the public. The Ethics Committee shall also have the same rights

of indemnification as the Directors and Officers have under the bylaws of the Institute for Ethical Consulting.

The Ethics Committee, in accordance with the regulations established by the IFEC Board of Directors, will hear and determine all allegations of violations of this Code of Ethics against IFEC members, affording such members an opportunity to be heard fully. The Ethics Committee shall have the power to originate any proceedings, and shall at all times have the full cooperation of all members.

3.5. Procedure

The Ethics Committee shall determine whether a violation of the Code has occurred in accordance with the regulations promulgated hereunder. The Ethics Committee shall answer as promptly as possible all queries posed by members relating to the Code of Ethics and its application and, when appropriate, may suggest for consideration by the Board of Directors, new regulations, definitions, or other implementations to make the Code of Ethics more effective.

If, in the judgment of the Ethics Committee, a complaint is beyond the Ethics Committee's scope of expertise or resources, the Ethics Committee may decline to exercise jurisdiction in the matter and may, in their discretion, recommend to the complainant another forum in which the complaint can be addressed.

The Ethics Committee shall undertake to maintain and improve all relations with better business bureaus and other organizations, both private and public, with a view toward improving the industry's relations with the public and receiving information from such organizations relating to the industry's activities.

4. Enforcement of IFEC Code of Ethics

4.1. Receipt of Complaint

Upon receipt of a complaint or where the Ethics Committee has reason to believe that a member has violated the Code of Ethics, the Ethics Committee shall forward a copy of the complaint, if any, to the accused member together with a letter notifying the member that a preliminary investigation of a specified possible violation pursuant to Section 3 is being conducted and requesting the member's cooperation in supplying necessary information, documentation and explanatory comment. If a written complaint is not the basis of the Ethics Committee's investigation, then the Ethics Committee shall provide written notice as to the basis of their reason to believe that a violation has occurred. Further, the Ethics Committee shall honour any requests for confidential treatment of the identity of the complaining party made by that party.

4.2. Cooperation with the Ethics Committee

In the event a member refuses to cooperate with the Ethics Committee and refuses to supply necessary information, documentation and explanatory comment, the Ethics Committee shall serve upon the member, by registered mail, a notice affording the member an opportunity to appear before the IFEC Board on a certain date to show cause why their membership in the Institute for Ethical Consulting should not be terminated. In the event the member refuses to cooperate with the Ethics Committee or to request a review by the IFEC Board, the IFEC Board of Directors, or a designated part thereof, may vote to terminate the membership of the member.

4.3. Investigation and Disposition Procedure

The Ethics Committee shall conduct a preliminary investigation, making such investigative contacts as are necessary to reach an informed decision as to the alleged Code violation. If the Ethics Committee determines, after the informal investigation, that there is no need for further action or that the Code violation allegation lacks merit, further investigation and administrative action on the matter shall terminate and the complaining party shall be so notified.

The Ethics Committee may, at their discretion, remedy an alleged Code violation through informal, oral and written communication with the accused member.

If the Ethics Committee determines that the allegation has sufficient merit, in that the apparent violations are of such a nature, scope or frequency so as to require remedial action pursuant to Section 5 and that the best interests of the complainants, the Institute and the consulting industry require remedial action, they shall notify the member of their decision, the reasoning and facts which produced it, and the nature of the remedy they believe should be effected. The Ethics Committee's notice shall offer the member an opportunity to voluntarily consent to accept the suggested remedies without the necessity of a hearing under Section 4.5. If the member desires to dispose of the matter in this informal manner it will, within 20 days, advise the Ethics Committee, in writing, of its willingness to consent. The letter to the Ethics Committee may state that the member's willingness to consent does not constitute an admission or belief that the Code has been violated.

4.4. Ethics Committee & Review Committee

An Ethics Committee consisting of five active IFEC members shall be selected annually by the nomination and vote of the IFEC membership. The Ethics Committee shall serve for a term of one year. Where for any reason an Ethics Committee has not been empanelled the IFEC Board of Directors will assume the role of the Ethics Committee. If for any reason, a member of the Ethics Committee cannot fulfil his or her duties or serve out a term for any reason, the Chairman of the Board of IFEC can replace that person with a new appointment for the remainder of the unfulfilled term.

When an appeal is lodged by a member against the findings of the Ethics Committee, the IFEC Board of Directors, or a Review Committee nominated by the Board of Directors, shall review the appeal.

4.5. Appeals Review Procedure

If a member objects to the imposition of a remedial action by the Ethics Committee, they shall have a right to request a review of the Ethics Committee's decision by the IFEC Board or their nominated Review Committee. A member must make such a request in writing submitted to the Ethics Committee within 14 days of being notified of the remedial action by the Ethics Committee. Within 10 days of receiving such a request, the Ethics Committee shall notify the Chairman of the Board of IFEC.

The Ethics Committee shall inform the Appellant of the names of the Review Committee members, including the name of the chairman of the panel. Within 14 days of that notification, the Ethics Committee shall send a copy of the Complaint and all relevant documents, including an explanation of the basis of the decision to impose remedial action, to the Review Committee with copies sent to the Appellant. Upon receipt of such information, the Appellant shall have 14 days to

file with the Review Committee its reasons for arguing that remedial action should not be imposed along with any additional documents that are relevant. Copies of that information should also be sent to the Ethics Committee.

Once the Review Committee have received all the relevant information from both the Ethics Committee and the Appellant, they will complete their review within 30 days or as soon thereafter as practicable. The panel shall decide whether the Ethics Committee's decision to impose remedial action was reasonable under all of the facts and circumstances involved and shall either confirm the Ethics Committee's decision, overrule it, or impose a lesser sanction under Section 5.1. The Review Committee shall be free to contact the Ethics Committee and the Appellant and any other persons who may be relevant witnesses to the Complaint, formally or informally as deemed appropriate. A decision by the Review Committee shall be final and shall be promptly communicated both to the Ethics Committee and the Appellant. The costs involved in the appeal such as costs of photocopying, telephone, fax, and mailing, shall be borne by the Appellant.

5. Powers of the Ethics Committee

5.1. Remedies

If, pursuant to the hearing provided for in Section 4.3, the Ethics Committee determines that the accused member has committed a Code of Ethics violation or violations, the Ethics Committee is hereby empowered to impose the following remedies, either individually or concurrently, upon the accused member:

- Request complete restitution to the complainant of monies paid for the accused member's services which were the subject of the Code complaint;
- Request the correction of the accused member's service which was the source of the Code complaint;
- Request the payment of a voluntary contribution to the Complainant. The contribution may range up to \$1,000 per violation of the Code. The Ethics Committee may, at its discretion, authorise an additional payment of up to \$1,000 from IFEC funds; this will only be paid *in addition* to the member's contribution, and only where such payment furthers the mission of the IFEC. Such a payment shall in no way indicate any liability on the part of the IFEC or of its members, nor shall it limit the complainant's right to seek compensation by other means (unless this is a specific condition of the payment);
- Request the accused member to submit to the Ethics Committee a written commitment to abide by the IFEC Code of Ethics in future transactions and to exercise due diligence to ensure there will be no recurrence of the practice leading to the current Code complaint.

5.2. Case Closed

If the Ethics Committee determines that there has been compliance with all imposed remedies in a particular case, they shall close the matter.

5.3. Refusal to Comply

If a member refuses to voluntarily comply with any remedy imposed by the Ethics Committee, and has not requested a review by the Review Committee, the IFEC Board of Directors, or designated part thereof, may conclude that the member should be suspended or terminated from membership in the Institute. In that event the Ethics Committee shall notify the member of such a decision by registered mail

and shall remind the member of their right to have the Ethics Committee's original decision reviewed by the Appeals Review Panel in accordance with Section 4.5 (Appeals Review Procedure) of this Code.

5.4. Appeal for Reinstatement After Suspension or Termination

If the suspension or termination is not appealed, or if it is confirmed by the Review Committee, a suspended member, after at least ninety days, and a terminated member, after at least one year, may request the opportunity to have its suspension or termination reviewed by the Review Committee which may in its discretion reinstate membership.

6. Restrictions

6.1. Confidentiality

At no time during an investigation or the hearing of charges against a member shall a member of the Ethics Committee or of the Review Committee confer with anyone at any time concerning any alleged violation of the Code, except as provided herein and as may be necessary to conduct the investigation and hold a hearing. Any information ascertained during an investigation or hearing shall be treated as confidential. At no time during the investigation or the hearing of charges shall a member of the Ethics Committee or of the Review Committee confer with a competitor of the member alleged to be in violation of the Code, except when it may be necessary to call a competitor concerning the facts, in which case the competitor shall be used only for the purpose of discussing the facts. At no time shall a competitor participate in the Ethics Committee's or in the Review Committee's disposition of a complaint.

6.2. Access To Records

Upon request by the Ethics Committee to any member, all documents directly relating to an alleged violation shall be delivered to the Ethics Committee. Any such information obtained by the Ethics Committee shall be held in confidence in accord with the terms of these regulations and the Code. Whenever the Ethics Committee, either by their own determination or pursuant to a decision by the Review Committee, terminates an action which was begun under the Code, a record of the member accused shall be wiped clean. All documents, memoranda or other written material shall be retained by the Ethics Committee to defend any possible future legal challenge to the Ethics Committee's or Review Committee's handling of a matter. At no time shall a member of the Ethics Committee or of the Review Committee either unilaterally or through the IFEC issue a press release or make any public statement concerning allegations or findings of a violation of the Code unless specifically authorized to do so by the IFEC's Board of Directors.

7. Resignation

Resignation from the Institute by an accused member prior to completion of any proceedings instituted under this Code shall not be grounds for termination of said proceedings, and a determination as to the Code violation shall be rendered by the Ethics Committee at their discretion, irrespective of the accused member's continued membership in the Institute or participation in the complaint resolution proceedings.

8. Amendments

Proposed amendments will be submitted to the Ethics Committee for consideration. Should the Ethics Committee consider the amendment to be meritorious it will be

distributed to IFEC members to invite comment. The Ethics Committee will then prepare a report including their recommendation and a summary of member comments and submit the recommendation to the IFEC Board of Directors for consideration. The Code may be amended by vote of two thirds of the Board of Directors.