



CODE
OF
PROFESSIONAL
CONDUCT

IMCHK CODE OF PROFESSIONAL CONDUCT

Introduction

The objective of the Institute of Management Consultants Hong Kong is the advancement of the profession of management consultancy through the establishment and maintenance of the highest standards of performance and conduct by its members, and by the promotion of the knowledge and skills required for that purpose.

Professional standards

A management consultant is an independent and qualified person who provides a professional service to business, public and other undertakings, by:

- Identifying and investigating problems concerned with strategy, policy, markets, organisation, procedures and methods
- Formulating recommendations for appropriate action by factual investigation and analysis with due regard for broader management and business implications
- Discussing and agreeing with the client the most appropriate course of action
- Providing assistance where required by the client to implement his recommendations

In rendering such services to all levels of management, consultants carry a heavy burden of responsibility and an obligation to maintain the highest standards of integrity and competence.

Recognising this responsibility, the Institute embodies within its Code of Professional Conduct those duties and obligations required of all members which will ensure the highest standards of performance, and thereby enhance the reputation and public recognition of the profession, of the Institute and of its members.

Members of the Institute have basic responsibilities as management consultants to:

- Exercise independence of thought and action
- Hold affairs of their clients in strict confidence
- Deal with management problems in perspective and give well-balanced advice
- Strive continuously to improve their professional skills and to

- maintain a high quality of advice
- Advance the professional standards of management consulting
- Uphold the honour and dignity of the profession
- Maintain high standards of personal conduct.

To honour these obligations all members agree, in writing, to comply with the Institute's Code of Professional Conduct. This distinguishes them from management consultants who are not members of the Institute.

Format of the Code

The Institute's Code of Professional Conduct is structured on three basic principles dealing with:

- (i) High standards of service to the client
- (ii) Independence, objectivity and integrity
- (iii) Responsibility to the profession.

These principles are underpinned by detailed rules, which are specific injunctions, and practical notes, which either lay down conditions under which certain activities are permitted or indicate good practice and how best to observe the relevant Principle or Rule.

The Council of the Institute may, from time to time, issue further Principles, Rules, or Notes which will be promulgated in the Institute's publications before being incorporated into a revised edition of the Code. Members are expected to abide by all such new provisions from the date of their publication.

The Principles, Rule and Notes of the Code apply not only to the member personally but also to acts carried out through a partner, co-director, employee or other agent acting on behalf of, or under the control of, the member.

Definitions used in the Code

Member:

A Fellow, Member, Associate or Affiliate of the Institute.

Client:

The person, firm, or organisation with whom the member makes an agreement or contract for the provision of service.

His:

Shall apply to members of both sexes.

Declaration:

A written statement referring to and disclosing the facts relevant to the situations covered by particular Rules of the Code.

Independent:

In a position always to express freely one's own opinion without any control or influence from others outside the (consulting) organisation, and without the need to consider the impact of such opinion on one's own interests.

Institute:

The Institute of Management Consultants.

Disciplinary action

A member is liable to disciplinary action if his conduct is found by the **Disciplinary and Ethics Committee** of the Institute to be in contravention of the Code, or to bring discredit to the profession or to the Institute.

In accordance with the By-laws, a member may be required to make a declaration in answer to enquiries from the Institute concerning his professional conduct. A member failing to make such a declaration may be found in breach of the Principle to which the Rule or Note relates.

Principle 1: High standards of service to the client

A member shall carry out the duties which he has undertaken diligently, conscientiously and with due regard to his client's interest

Rules:

1.1 A member will only accept an engagement for which he is suitably qualified.

1.2 Before accepting an assignment a member shall clearly define the terms and conditions of the assignment including the scope, nature and period of the service to be provided, the allocation of responsibilities, and the basis for remuneration. (See Notes 1.2.1 and 1.2.2).

- 1.3 A member will regard his client's requirements and interests as paramount at all times.
- 1.4 A member shall only subcontract work with the prior agreement of the client. (See Note 1.4.1).
- 1.5 A member will hold as strictly confidential all information concerning the affairs of clients unless the client has released such information for public use, or has given specific permission for its disclosure.
- 1.6 A member will refrain from inviting any employee of a client advised by the member to consider alternative employment (an advertisement in the press is not considered to be an invitation to any particular person).
- 1.7 A member will develop recommendations specifically for the solution of each client's problems; such solutions shall be realistic and practicable and clearly understandable by the client.
- 1.8 To ensure efficient performance of each assignment, a member will exercise good management through careful planning, frequent progress reviews and effective controls.

Notes:

- 1.2.1 Before undertaking or continuing with any work, a member should ensure that his resources are adequate and properly directed to carry it out.
- 1.2.2 The terms of an assignment should always be evidenced in writing.
- 1.4.1 When sub-contractors are employed, the principal consultant will take responsibility for the quality of the work produced and for compliance with the requirements of the Code. Members are referred to the Institute's guidelines on subcontracting agreements.

Principle 2: Independence, objectivity, integrity

A member shall avoid any action or situation inconsistent with his professional obligations or which in any way might be seen to impair his integrity.

Rules:

- 2.1 A member will maintain a fully independent position with the client at all times, making certain that advice and recommendations are based upon thorough impartial consideration of all pertinent facts and circumstances and on opinions developed from reliable relevant experience.
- 2.2 A member will declare at the earliest opportunity any special relationships, circumstances or business interests which might influence or impair his judgment or objectivity on a particular assignment. (See Notes 2.2.1, 2.2.2 and 2.2.3).
- 2.3 A member shall not serve a client under terms or conditions which might impair his independence, objectivity, or integrity; he will reserve the right to withdraw if conditions beyond his control develop to interfere with the successful conduct of the assignment. He will not practise during a period when his judgment is or might be impaired through any cause.
- 2.4 A member shall not take discounts, commissions or gifts as an inducement to show favour to any person or body.
- 2.5 A member will advise the client of any significant reservations he may have about the client's expectation of benefits from an engagement. He will not accept an engagement in which he cannot serve the client effectively.
- 2.6 A member will not indicate any short-term benefits at the expense of the long-term welfare of the client, without advising the client of the implications.
- 2.7 A member will discuss and agree with the client any significant changes in the objectives, scope, approach, anticipated benefits, or other aspects of the engagement which might arise during the course of carrying it out.
- 2.8 A member who, in circumstances not specifically covered in these Rules, finds that his professional or personal interests conflict so as to risk a breach of the Principle shall, as the circumstances may require, either withdraw from the situation, or remove the source of conflict, or declare it and obtain in writing the agreement of the parties concerned to the continuance of his assignment. (See Note 2.8.1).

Notes:

- 2.2.1 Rule 2.2 requires the prior disclosure of all relevant personal, financial, or other business interests which could not be inferred from the description of the services offered. In particular this relates to: any directorship or controlling interest in any business in competition with the client, any financial interest in goods or services recommended or supplied to the clients, any personal relationship with any individual in the client's employ, any personal investment in the client organisation or in its parent or any subsidiary companies.
- 2.2.2 A member shall not use any confidential information about a client's affairs, elicited during the course of his assignment, for his own personal benefit or for the benefit of others outside the client organisation. There shall be no insider dealing or trading as legally defined or understood.
- 2.2.3 If any such business or financial interest arise during the course of an assignment, Rule 2.8 shall apply.
- 2.8.1 It should be noted that the Institute of Management Consultants may, depending on the circumstances, be one of the 'parties concerned'. For example, if a member is under pressure to act in a way which would bring him into non-compliance with the Code of Professional Conduct, in addition to any other declaration which it might be appropriate to make, he should declare the facts to the Institute.

Principle 3 Responsibility to the profession

A member shall at all times conduct himself in a manner which will enhance the standing and public regard of the profession.

Rules:

- 3.1 A member recognises that he has a responsibility to the profession as well as to himself and his clients, to ensure that his knowledge and skills are kept up to date and will take appropriate action to his end.

- 3.2 A member will not knowingly, without permission, use copyright material, or a client's proprietary data, or materials or techniques that others have developed but have not released for public use.
- 3.3 A member shall have proper regard for the professional obligations and qualifications of those from whom he receives or to whom he gives authority, responsibility or employment, or with whom he is professionally associated. (See Notes 3.3.1 and 3.3.2).
- 3.4 A member shall only initiate or accept a joint assignment with a member of another professional body if he is satisfied (and can satisfy the client and if required the Institute) that such an assignment would be conducted to the standards represented by this Code of Professional Conduct.
- 3.5 A member referring a client to another management consultant will not misrepresent the qualifications of the other management consultant, nor will he make any commitments for the other management consultant.
- 3.6 A member will not accept an assignment for a client knowing that another management consultant is serving the client in a similar capacity unless he is assured, and can satisfy himself, that any potential conflict between the two assignments is recognized by, and has the consent of, the client. (See Note 3.6.1).
- 3.7 When asked by a client to review the work of another professional, a member will exercise the objectivity, integrity and sensitivity required in all technical and advisory conclusions communicated to the client.
- 3.8 A member will negotiate agreements and charges for professional services only in a manner approved as ethical and professional by the Institute. (See Note 3.8.1).
- 3.9 A member shall not attempt to obtain work by giving financial inducements to clients or client staff. (See Note 3.9.1).
- 3.10 A member, in publicising his work or making representations to a client, shall ensure that the information given

- is factual and relevant
- is neither misleading nor unfair to others
- is not otherwise discreditable to the profession (See Note 3.10.1)

3.11 A member shall be a fit and proper person to carry on the profession of management consultancy. (See Note 3.11.1).

3.12 A member shall not wilfully give the Institute false, inaccurate, misleading or incomplete information.

Notes:

- 3.3.1 Under Rule 3.3, a member will provide all possible opportunities for management consultants he employs to exercise their professional skills as widely as possible within the interests of the client, and will, as opportunities arise, assist them to accept progressively greater responsibility in accordance with their ability and experience.
- 3.3.2 In a similar way a member will encourage the management consultants he employs to maintain and advance their competence by participating in continuing professional development.
- 3.6.1 Legal and 'fair trading' obligations should take precedence in both public and private sector work.
- 3.8.1 Members are referred to the Institute's Guidelines on Charging for Management Consulting Services (to be developed by the Council).
- 3.9.1 Payment for legitimate marketing activity may be made, and national laws and customs should be respected.
- 3.10.1 Accepted methods of making his experience and / or availability known include:
- Publication of his work (with the consent of the client);
 - direct approaches to potential clients; entries in any relevant directory;
 - advertisement (in printed publication, or on radio or television);

- public speaking engagements.

Members are referred to the Institute's Guidelines on the Promotion of Management Consulting Services (to be developed by the Council).

3.11.1 A member shall at all times be of good reputation and character. Particular matters for concern might include:

- conviction of a criminal offence or committal under bankruptcy proceedings;
- censure or disciplining by a court or regulatory authority;
- unethical or improper behaviour towards employees or the general public.

Special thanks to the IMC in UK for providing the reference and guidance for this Professional Code.