

Ethics and Professional Credibility

Credibility is earned slowly through consistent judgement—and can be lost quickly when convenience is placed above integrity.

ETHICS • TRUST • PROFESSIONAL RESPONSIBILITY



CMA MADHURI KASHYAP

Regional Council Member, NIRC of ICMAI

“Professional credibility is the confidence others place in both our competence and our character.”

Why credibility matters

Finance professionals are trusted with information, judgement and decisions that affect organisations, investors, employees, customers and the public. Technical knowledge is essential, but stakeholders also need confidence that the professional will be honest, objective, careful and willing to speak when something is wrong.

Ethics becomes most important when the answer is inconvenient—when a deadline is tight, a target is under pressure, a senior person prefers silence or the facts are not yet complete. In such moments, professional credibility depends on the quality of judgement rather than the comfort of the choice.

Credibility is therefore more than reputation. It is a form of professional capital built through repeated evidence that our work can be relied upon and our conduct remains principled even when no one is watching.

The foundations of trust

- Competence: maintaining the knowledge and care required for the assignment.
- Integrity: being truthful and refusing misleading conduct.
- Objectivity: recognising bias, pressure and conflicts of interest.
- Accountability: owning decisions, documenting judgement and correcting errors.

Four disciplines that protect credibility

Ethical practice is not limited to dramatic cases of fraud. It is expressed in ordinary professional choices: how evidence is handled, uncertainty is disclosed, pressure is managed and other people's information is protected.

1. Integrity in facts and communication

Integrity requires more than avoiding a direct lie. It means not creating a misleading impression through selective data, ambiguous wording or the omission of a material fact. Professionals should distinguish clearly between fact, assumption, estimate and opinion. When an error is discovered, credibility is protected by correcting it promptly—not by hoping it remains unnoticed.

2. Objectivity and conflicts of interest

Judgement can be influenced by personal relationships, incentives, fear, familiarity and the desire to satisfy authority. A conflict does not always mean misconduct has occurred, but an undisclosed or unmanaged conflict weakens trust. The responsible response is to recognise the threat, disclose it to the appropriate person and apply safeguards or step away when objectivity cannot be preserved.

3. Confidentiality and responsible information use

Access to information is a privilege, not ownership. Confidential data should be shared only for a legitimate purpose and through appropriate channels. Careless conversations, unsecured files, personal devices and unapproved digital tools can all create risk. Confidentiality continues after an assignment or employment ends and must be balanced carefully with legal or professional duties to report wrongdoing.

4. Competence, diligence and professional scepticism

Accepting work beyond one's competence without support can be an ethical failure. Professionals must prepare adequately, seek expertise when needed and examine evidence with an alert but fair mind. Scepticism does not mean assuming dishonesty; it means not accepting a convenient explanation when the evidence is incomplete, inconsistent or implausible.

Credibility lens: People trust professionals who are accurate about what they know, transparent about what they do not know and disciplined about how they reach a conclusion.

Where Professional Courage Is Tested

5. Pressure from targets and authority

Targets can focus effort, but they can also encourage optimistic assumptions, premature recognition or the suppression of uncomfortable facts. Seniority does not transfer ethical responsibility. A respectful challenge should identify the concern, explain the evidence, describe the potential consequence and offer a lawful, transparent alternative. Silence may feel safer in the moment, but it can deepen both organisational and personal risk.

6. Speaking up and escalating responsibly

Professional courage is not aggression. Begin by verifying the facts and seeking clarification. Raise the issue through the appropriate channel, keep the language objective and document significant discussions. If the concern remains unresolved, follow the organisation's escalation and whistle-blowing mechanisms and obtain independent professional advice where appropriate.

7. Technology, AI and digital ethics

Digital tools increase speed but also introduce risks involving privacy, bias, intellectual property and unreliable output. Confidential information should not be entered into unapproved systems. AI-generated analysis must be verified, attributed where necessary and reviewed for context. A professional cannot outsource accountability to an algorithm, vendor or automated model.

8. Responding to mistakes

Credible professionals are not error-free; they are accountable. When a mistake occurs, assess its impact, inform the appropriate people, correct the record and strengthen the process that failed. Concealment turns a correctable error into an integrity problem. A calm, prompt and transparent response can preserve trust even in a difficult situation.

Warning signs that require attention

- **Rationalisation:** 'Everyone does it' or 'It is only temporary.'
- **Unusual secrecy:** requests to avoid normal documentation or review.
- **Incentive pressure:** personal reward tied to a preferred result.
- **Suppressed challenge:** questions treated as disloyalty.
- **Data manipulation:** changing definitions or time periods to improve appearance.

A Practical Ethical Decision Process

Ethical judgement improves when a professional slows the decision down, makes the competing duties visible and creates a record that can withstand later scrutiny.

Step 1: Establish the facts

Identify what is known, what is assumed and what remains uncertain. Preserve relevant records and avoid premature conclusions. Ask who is involved, who may be affected and whether immediate action is required to prevent harm or protect information.

Step 2: Identify duties and threats

Consider applicable law, professional standards, organisational policy and contractual responsibilities. Identify threats to integrity, objectivity, competence, confidentiality or professional behaviour. Pay particular attention to self-interest, familiarity, intimidation and pressure from incentives.

Step 3: Evaluate options and consequences

List realistic courses of action, including seeking advice or withdrawing from the assignment. Consider short- and long-term consequences for stakeholders, the profession and public trust. Ask whether the decision would remain defensible if reviewed by an independent person or reported publicly.

Step 4: Consult, decide and document

Use appropriate internal channels and, when necessary, obtain legal or professional guidance. Record the facts, analysis, consultation and reasons for the conclusion. Documentation supports accountability, but it does not convert an unethical choice into an acceptable one.

Step 5: Act, monitor and learn

Implement the decision, communicate it to the right people and monitor the result. If new facts emerge, reassess promptly. Afterwards, examine whether a policy, control, incentive or culture issue contributed to the problem and should be corrected.

Closing thought: Credibility is built when professional values remain visible in everyday decisions—especially when following them carries a cost.

Suggested closing

Technical expertise may establish that we are capable, but ethical conduct establishes that we are trustworthy. Professional credibility grows when our facts are accurate, our motives are transparent, our information is protected and our judgement remains independent under pressure. Every assignment is therefore more than a task; it is another opportunity to strengthen—or weaken—the trust placed in our profession.

Source note: Prepared as a professional-development article for CMA students and members.