

Case Study 3	Non-disclosure to auditors
Case outline	
<p>You are employed as an Accounting Systems Manager. During your work you overhear a Financial Controller in one department, saying that she had not been disclosing certain things to the auditor. You don't know whether to believe this but are uneasy, as the culture appears to be one of "getting away with as much as possible". In addition, you have heard that a bribe was paid to an overseas company to secure work. You are uneasy about the situation and worried that a poor relationship with your line manager may prevent you from exploring the accuracy of the statements given to you.</p>	
Key fundamental principles	
<p>Integrity - Can you overlook the financial controller's comments, the culture and the bribe allegedly paid to the overseas company and still demonstrate integrity?</p> <p>Objectivity - Knowing that something may be wrong, how can you maintain your objectivity?</p> <p>Confidentiality – Is there any basis in which you could or should make disclosures?</p> <p>Professional Behaviour - How should you proceed so as not to discredit yourself?</p>	
Discussion	
<p>Identify relevant facts: Consider the business' policies, procedures and guidelines, accounting standards, best practices, code of ethics, applicable laws and regulations. Can you corroborate the facts further with documentation or discussion with relevant parties? Do you have an internal process for whistle blowing? What steps have you taken to understand money laundering legislation and the Public Interest Disclosure Act?</p> <p>Identify affected parties: Key affected parties are you, the financial controller, the employee raising allegations about a bribe, line manager and auditor. Other possible affected parties are employees, next level of management, internal audit, Audit committees*, the Board, shareholders and financial backers.</p> <p>Who should be involved in resolution: Consider not just who should be involved, but also for what reason and timing of their involvement. Have you thought of contacting the Institute for advice and guidance? Do you have trusted colleagues with whom you can discuss your position? At what point will you consider involving your line manager, next level of management, the Board and the Audit committee*?</p>	
Possible course of action	
<p>Check the relevant facts and discuss the matter with your immediate line manager. If you feel that the response by the line manager is not satisfactory, next steps may be to discuss the matter further with the next level of management, internal audit, Audit committee* and the Board.</p>	

If you have suspicions or evidence of money laundering, contact the Institute or the Money Laundering Helpline and/or take legal advice.

During the resolution process, it may be helpful to document your involvement, the substance of the discussions held, who else was involved, what decisions were made and why.