

Code of Professional Conduct for IED Members providing Consultancy Services

Introduction

The Institute of Economic Development expects all members who offer consultancy services to provide first class value to their clients, and to do so in ways which enhance the profession and demonstrate high standards of integrity.

This Code was endorsed by the IED in 21 April 2005 and reviewed and amended by the Board of Directors on 26th November 2012. The Code applies to all IED Members who supply consultancy services, wherever in the world they work and whether or not the provision of consultancy services is their main occupation.

We will continue to review the operation of the Code from time to time, and welcome comments on its effectiveness at any time.

A Competence

Principles

- A. 1 Members must only accept work which they are able to perform well.
- A. 2 Members must not make false or misleading claims about what they can do for clients.

Practice

- i. Members should use all their skill and experience to provide consultancy services based on thorough, impartial consideration of the available evidence, guided by their knowledge of the best available experience elsewhere and their best judgement of the interests of their client.
- ii. Members should only accept work if they judge that they are able to fulfill their client's expectations in full, within the agreed budget and within the agreed timetable.
- iii. Members should inform clients immediately whenever, in their professional judgement, what is asked of them is illegal, improper or unwise.
- iv. If, during a project, a member judges that for whatever reason they are no longer able to fulfill their client's expectations in full, then they should inform their client immediately, and agree an alternative course of action. If they withdraw from the contract, the member should help the client to find an alternative consultant if at all possible.
- v. Members should always agree in advance with the client any changes in team membership, or any other substantive changes, in advance.
- vi. Members should not sub-contract work unless they have agreed this with the client in advance.

- vii.** Members should ensure that the basis on which they have proposed and agreed fees (and associated costs such as expenses) is clear to the client. In particular, where members have offered and agreed a fixed fee, they should not charge any more even if the work proves more expensive than they first calculated, unless the extra cost results from substantial changes made at the request of the client, or from force majeure, and then only with the agreement of the client.
- viii.** Members should ensure that their client is kept fully informed about the progress of the assignment.
- ix.** Members should keep confidential information obtained during their consultancy which a client wants kept confidential, unless there is a legal obligation to the contrary.
- x.** Members should encourage feedback from their client, and use it to improve the quality of the services which they offer.
- xi.** Where a member has, in the judgement of their client, failed to fulfill the terms of their contract, and bilateral attempts to settle the matter have failed, the client may appeal to the Board of the IED for help.

B Integrity

Principles

B. 1 Members should always act with integrity, offering their clients objective and impartial services.

Practice

- i.** Members should disclose any potential conflict of interest at the earliest opportunity. This instruction applies regardless of whether or not the interest is a financial one. Members are expected to use their professional judgement to decide what is, or might be seen to be, a conflict of interest. Examples might include:
 - any financial interest in the client, or its associates, even if that interest is not obviously related to the assignment in hand;
 - any personal relationship with any individual employed by the client or closely associated with its work;
 - any work for a third party whose interests conflict with those of the current client.
- ii.** Members should decline work with a client which is or might be inconsistent with their professional obligations. Members should report any such event to the IED's Board.
- iii.** Members should not accept any financial or non-financial inducement to show favour to any client or potential client.
- iv.** Members should not use information about a client's affairs, gained during the course of an assignment, for personal benefit or for the benefit of others outside the client organisation.
- v.** Members should respect clients' principles and values and support them unless they conflict with their professional obligations or the law.
- vi.** When working within the UK, Members should follow the Principles of Public Life (commonly known as the "Nolan Principles" – see appendix) and should normally follow these principles when working in other jurisdictions.

C Responsibility

Principles

C. 1 Members must do nothing that brings the economic development profession, or the IED, into disrepute.

Practice

- i. Members should comply with the IED's requirements on Continuing Professional Development in order to ensure that the knowledge and skills which they offer to clients are kept up to date.
- ii. Members should promote this Code to clients and others in order to raise and maintain high standards in the profession.
- iii. Members should not allow non-members for whom they are directly responsible to act in breach of this Code. This applies both to employees and to sub-contractors. Complaints under the Code may only be made against members, however: it is not binding on anyone who is not a member of the IED.
- iv. Members should not unjustifiably criticise or disparage other members.
- v. Members should at all times obey the law of the jurisdiction in which they are working.
- vi. Members should always act in ways that enhance the reputation of the economic development profession and the IED. Members convicted in a court of law, or made bankrupt, or disciplined by any regulatory body, should report the matter immediately to the Board and may be asked to justify their continued membership of the IED.

Coverage

This Code applies to every member of the IED who offers consultancy services, regardless of their membership rank and whether or not they are wholly employed as a consultant.

IED also expects members to ensure that the Code is followed by those with whom they work, or who act on their behalf.

Disciplinary Action

Members are liable to disciplinary action if their conduct is found to be in contravention of the Code, by a Disciplinary Committee set up for the purpose by the Board of the IED with a membership and a process agreed with the Secretary to the IED.

If requested to do so by a Disciplinary Committee established by the Board, members should co-operate fully with any inquiry. Failure to do so will be, in itself, a disciplinary matter. Members are entitled to know the complaint against them and have reasonable time to make their own case in response. The Board of Directors may impose a range of sanctions, including loss of membership. The Board will publish its judgement in the IED's communications medium in use at the time. If a member resigns before an investigation is resolved, the Board may publish that fact.

This Code is deliberately written in simple language to keep it short and readable. The Board will expect members to follow its spirit and not seek to avoid their responsibility by hiding behind semantic or legalistic interpretations of drafting.

THE SEVEN PRINCIPLES OF PUBLIC LIFE

'Nolan Principles'

- **Selflessness:** Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.
- **Integrity:** Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.
- **Objectivity:** In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
- **Accountability:** Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- **Openness:** Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
- **Honesty:** Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- **Leadership:** Holders of public office should promote and support these principles by leadership and example.