

# Ethical Standards Create the Credit Union Difference



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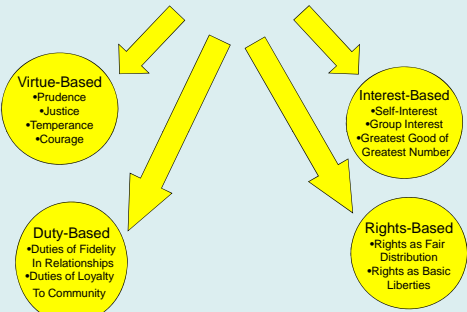
Seoul, Korea  
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# Professionalism is :

- ✦ Education
- ✦ Experience, and
- ✦ ethics



## The Four avenues of Ethical Analysis



## What is Culture?

Values, beliefs and norms of organization which determine how people think, behave and what they believe is true.

To create a culture is to acquire the expertise that is essential to protect one's autonomy and integrity.

## A Culture Change Requires

- ✦ Stronger business focus and emphasis on performance
- ✦ Staff energy focused on and aligned with organizational strategy
- ✦ Greater focus on relationships with customers, employees, suppliers and partners
- ✦ A learning Organization where people are accountable and challenged
- ✦ Willingness to change

**Key to  
Successful Cultural Change**

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Explicit alignment of organizational culture with business needs and objectives by the implementation of transparent and effective systems, supported by clear and constant communication on both the current status and expected result.

The standards to which members of an industry are to hold themselves are usually expressed in a code of conduct, promulgated and enforced by the industry's organization.

**Elements in a Code of Ethics**

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A code may include a statement of ideals, a set of disciplinary rules, a standard of professional etiquette.

**The 5 characteristics of a viable and realistic professional code**

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- ✦ Convinces employees to voluntarily commit to standards of conduct integral to the profession's practices
- ✦ Protects public interest and the interests of those served by the profession instead of catering to the convenience of the profession
- ✦ Provides guidance to everyone in the profession on how to perform duties with the highest level of integrity and professionalism
- ✦ Specific and honest
- ✦ Enforceable and policed

**The core values of the Credit Union Movement are:**

- ✦ Cooperation
- ✦ Moral integrity
- ✦ Trust
- ✦ Financial prudence
- ✦ Caring for members, and
- ✦ Social Responsibility



The foundation of credit union philosophy is people helping people.



### Mission Statement

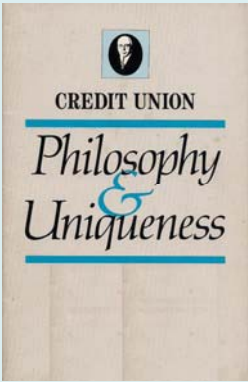
Definition:

- ✦ A broad statement on what business your organization is in, and what business you want to be in.
- ✦ The mission statement includes your organization's purpose (why it exists) and its functions (what it does).

### Credit Union Operating Principle

These Credit Union Operating Principles are founded in the philosophy of cooperation and its central values of equality, equity and mutual help. Recognizing the varied practices in the implementation of credit union philosophy around the world, at the heart of these principles is the concept of human development and the brotherhood of man expressed through people working together to achieve a better life for themselves and their community."

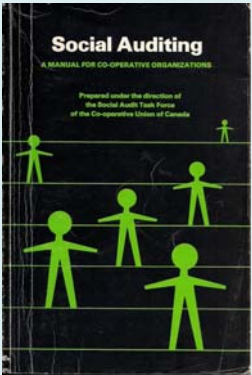
Credit Union Uniqueness Committee report cover



Ethical funds advertisement



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### Australia code of ethics

Credit unions ought to recognize as paramount the interests of its members, including their right to determine major issues affecting their participation in the credit union

- ✦ Be willing to support members in their search for solutions to their problems
- ✦ Encourage thrift amongst their members as an example to the general community
- ✦ Ensure that they educate their members and staff in relevant aspects of financial awareness
- ✦ Support the extension of credit union membership to all Australians
- ✦ Co-operate with each other
- ✦ Act with honesty and integrity
- ✦ Act lawfully and within the spirit of the law
- ✦ Act within the spirit of justice and equity
- ✦ Avoid unfair discrimination
- ✦ Conduct operations efficiently and effectively
- ✦ Strive to achieve an excellent quality of service
- ✦ Honour commitments made in good faith
- ✦ Engender a climate of mutual respect between themselves, members and other Movement participants
- ✦ Earn high levels of trust from members and other parts of the Movement and wider community
- ✦ Act in the best interests of the Movement


**Sample Compliance and Mechanism**

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The Code of Ethics is a voluntary process managed by the individual Credit Union. All Credit Unions like Banks are regulated by the Australian Securities Investment Commission (ASIC) and the Australian Prudential Regulation Authority (APRA)

- ✦ Members are kept informed of the compliance of code of ethics through the credit unions' quarterly Newsletter, the Annual General Meeting (AGM) and Annual Report.
- ✦ Compliance is monitored by the Audit and Risk Management Committee. The Committee is required by law and the Chair is one of the three positions elected by the Board of Directors following the AGM with the Chairman and Deputy Chairman of the Board of Directors.

**Chinese CUMI book cover**



**Thank You!**

