

## **THE INSTITUTE'S ETHICS AND COMPLIANCE**

### **A. Definition of Ethics**

It is:

1. the discipline dealing with what is good and bad and with moral duty and obligation
2. It involves:
  - a) a set of moral principles: a theory or system of moral values
  - b) the principles of conduct governing an individual or a group
  - c) a guiding philosophy

The Institute's Ethics and Compliance Program is based on International Code of Ethics for Professional Accountants as adopted and issued by the Institute

Link: <https://www.icpak.com/resource/icpak-code-of-ethics/>

The Ethical Principles define the specific standards of professional behavior expected of the members in the accountancy profession. The Program encompasses oversight and communications mechanisms that are in place to manage our ethics and compliance activities.

### **B. About the Code of Ethics and Professional Conduct**

The Code reflects our expectations for all professional accountants. The sections of the Code that follow contain ethics and compliance standards covering our responsibilities to the public trust, the clients, and to the profession.

In complying with these standards, you should ask yourself the following questions to aid in making the right decision about a possible course of action:

- Are my actions illegal or unethical?
- Am I being fair and honest?
- Would I be unwilling or embarrassed to tell my family, friends, or co-workers?
- Would my or the organisation's reputation be harmed if the action were revealed in the newspapers?
- Am I personally uncomfortable about the course of action?
- Could someone's life, health, safety, or reputation be endangered by my action?
- Could the intended action appear inappropriate to a third party?

If you are still unsure of what to do, ask questions and seek additional guidance through your Institute or channels provided by your organisation.

### **C. About Your Responsibilities**

#### ***A Duty to Know, Understand, and Comply***

It is the duty of all professional accountants to know, understand, and comply with this Code of Ethics and Professional Conduct. Failure to comply with the Code could result in significant risk to your organisation and its people, and will subject the individual to disciplinary action, up to and including termination or severance of association with the Institute.

### **D. Sustaining the Public Trust**

#### **1) Letter of Law vs. Spirit of Law**

The letter of the law is the literal, stated interpretation of the law as it's written. The spirit of the law is usually broader, and reflects the intention behind the law. While usually obvious, this may not be explicitly stated.

#### **2) Integrity:**

A Core Value Integrity means always trying to do the right thing, the first time, every time. At every level, the accountants are expected to be honest, trustworthy, candid, and straightforward in both personal and business dealings, in accordance with both the letter and the spirit of all applicable laws and regulations. All accountants are encouraged to exceed the expectations of clients — and each other — by seeking to do not only what is legal, but also what is right. Our commercial ambitions should never be allowed to overtake professional and ethical responsibilities.

### **3) Quality of Work or Work Products**

Our reputation is wholly dependent not only on our integrity, but also on the quality of the services provided. This quality expectation is very simply stated — in the perceptions of both the public and clients, the work or work product of the accountants should meet all applicable professional standards. Each member is individually responsible for the quality of the professional services provided. Commitment to quality operates at three levels: the individual, the team, and the organization. At every level, it requires a dedication to having pride in your work or work product and an appropriate sense of professional skepticism in the conduct of all our work.

### **4) Independence and Objectivity of Professional Advice and Conclusions**

In working with clients or organisations, one should be forthright, direct, and independent in conveying advice or rendering an opinion. Prejudice, bias, conflict of interest, or undue influence of others must not be allowed to override objective professional or business judgments. In return, clients or organisations are expected to meet the letter and the spirit of all applicable laws and regulations (see ICPAK website on responding to noncompliance with laws and regulations- NONCLAR guidelines as issued by IESBA) ([website link](#)). There is no client or engagement that is more important than your responsibility to sustain the public trust, your commitment to do the right thing, and your concern to maintain your good reputation.

### **E. Conformity in fulfilling the requirements**

Our responsibility is to have an Ethics and Compliance Program that is designed to educate and foster an atmosphere where open communication of ethics and compliance inquiries and issues is encouraged, and to provide all accountants with a reasonable understanding of how to identify and report potential violations.

Each accountant is responsible for appropriately addressing — through reporting, consultation, or other means — potentially fraudulent, illegal, or unethical issues that may come to your attention.

If you observe or become aware of a potential fraudulent, illegal, or unethical act, or other violation of organisational/public policy, whether committed by a colleague, client, supplier, contractor, alliance, or others associated with or doing business with the organisation/entity, it is your responsibility to report the circumstances through an appropriate reporting channel, and to cooperate fully with any investigation.