

**Institute of Certified
Forensic Accountants**

Professional Standards



Introduction

The Code of Professional Conduct is binding on all members of the Institute practicing as Forensic Accountants.

The briefer Code of Conduct is binding on all those members not in practice as forensic Accountants - including retired members and Organizational Affiliates. Members of the Institute give advice to all levels of management and with this comes the obligation to maintain the highest standards of integrity and competence.

In recognition of their obligations to clients, to the public at large and to the profession, all members annually agree in writing to comply with the Code of Professional Conduct, and to undertake relevant continuing professional development activities.

Code of Professional Conduct

Institute of Certified Forensic Accountants Code of Professional Conduct is structured on three principles:

- Meeting the client' s requirements;
- Integrity, independence, objectivity;
- Responsibility to the profession and to the Institute of Certified Forensic Accountants.



When applying these fundamental principles, members must be aware that in order to retain public confidence they should conduct their activities in such a way that they can demonstrate that these principles are being applied.

A. 1. Integrity

- A. 1. 1: It is essential for members to retain a reputation for integrity. This implies not merely honesty but trustworthiness, fair dealing and truthfulness.
- A. 1. 2: Such attributes most obviously relate to matters of personal advantage arising from professional activities but they are of equal importance in the way that services to employers and clients are carried out. For example situations occur where opportunities arise to present information in varying ways, which can create entirely different financial pictures. Members must resist any pressure, for whatever reason, to misrepresent the facts. Where professional judgement is exercised in circumstances that might lead to challenge, such judgements and the reasoning behind them should be documented.
- A. 1. 3: Members are expected, in appropriate circumstances, to provide advice and comment on a financial matter of which they may become aware even if not invited to do so.

A.2 Objectivity

- A.2.1: Objectivity is exercised when members make judgements, based upon all the available evidence, not depending on, or influenced by, personal opinions or prejudices, or by inappropriate pressure or influence.
- A. 2.2: Members may be exposed to situations which involve inappropriate pressure being exerted on them which can threaten their objectivity. Similarly, some relationships may allow the prejudice, bias or influence of others to threaten that objectivity, It is impossible to define and prescribe all such situations and relationships where these possible pressures exist. Reasonableness should prevail in identifying circumstances and relationships that are likely to, or appear to, impair a member's objectivity. An inability to uphold one or more of the other fundamental principles in this standard on account of circumstances or relationships would indicate a lack of objectivity.
- A.2.3: Members should not concurrently engage in any business occupation or other activity which impairs or might be perceived to impair their ability to carry out their public service role with integrity and objectivity.

They should advise their employers of all outside interests of a pecuniary nature and any non-pecuniary interests which are relevant to the employment responsibilities of the member. Many organisations operate a register for this purpose. Members should be aware that a declaration of interest may not always be sufficient to remove the perception of a lack of objectivity and integrity

A.3 Competence and Due Care

A.3.1: Members should refrain from agreeing to perform professional services which they are not competent to carry out, whether in terms of skill or resources, unless competent advice and assistance is obtained so as to enable them satisfactorily to perform such services.

A. 3.2: Professional competence may be divided into two separate but related parts:

(a) Attainment of professional competence

The attainment of professional competence requires a high standard of general education followed by specific education, training and examination in professionally relevant subjects, and a period of work experience. This is the normal pattern of development for Institute members.

(b) Maintenance of professional competence

The maintenance of professional competence requires a continuing awareness of developments in the accountancy profession including relevant national and international pronouncements on accounting, auditing and other relevant regulations and statutory requirements. Members are encouraged to demonstrate this by participation in the Institute's CPD programme.

A. 3.3: Members should also be aware of the risks to their own and the Institute's reputation from incompetent work. Members should ensure that they meet statutory requirements, accounting and auditing standards. Where the Institute has issued codes of practice or there is other formal guidance, such advice should be followed.

A.4 Confidentiality

A.4.1: Members have an obligation to respect the confidentiality of information about an employer's or client's affairs in the course of professional services. The duty of confidentiality continues even after the end of the relationship with the employer or client.

A.4.2: Members should always observe confidentiality unless specific authority has been given to disclose information or there is a legal or professional duty to disclose. Members have an obligation to ensure that staff under their control and persons from whom advice and assistance is obtained respect the principle of confidentiality.

Confidentiality is not only a matter of disclosure of information. It also requires that a member acquiring information in the course of performing professional services shall neither use nor appear to use that information for personal advantage or for the advantage of a third party.

A. 4. 3. In particular, a member who discloses confidential information, or uses such information for her or his own purposes may in some circumstances be guilty of the offence of insider dealing,

A. 4. 4: However there may be occasions when confidential information should be disclosed:

when disclosure is authorised - even when disclosure is authorised by employer or client, the interests of all parties, including third parties who may be affected, should be considered:

when disclosure is required by law - eg money laundering

A. 4. 5: When the member has determined that confidential information should be disclosed, the following points should be considered:

whether all the relevant facts are known and substantiated, to the extent it is practical to do so; when the situation involves unsubstantiated fact or opinion, professional judgement should be used in determining the type of disclosure to be made, if any;

the extent of communication; in particular the member should be satisfied that the parties to whom the communication is addressed are appropriate recipients and have the responsibility to act on it;

in all such circumstances, the member should consider the need to take professional legal advice and/or consult with an appropriate organisation before disclosing.

A. 4. 6: Confidentiality should not be used unnecessarily by members in their own work', as this can give rise to the perception that breaches of the fundamental ethical principles are being hidden.

Members are expected, in appropriate circumstances, to provide advice and comment on a financial matter of which they may become aware even if not invited to do so.

A. 5: **Proper Conduct**

A. 5. 1: Members must not engage in conduct, whether in pursuit of their profession or otherwise, which would discredit, be prejudicial to or likely to diminish public confidence in them in their professional capacity, or the accountancy profession or the Institute. They should also promote the fundamental ethical principles through leadership and example.

A. 5. 2: A member who has evidence of professional misconduct by another member should take necessary steps to protect the public, the profession, the Institute, the employer, and the other member. Before taking any action a member should establish the facts and any report of misconduct must be honest and sustainable.

A. 5. 3: If members break the law, this diminishes public confidence. The severity and nature of the offence would have to be taken into account by the Institute in determining its impact on the accountancy profession or the Institute.

A. 5. 4: Proper conduct also encompasses behaviour. Members should conduct themselves with courtesy and consideration towards all with whom they come into contact during the course of performing their work.

A member shall carry out professional work in accordance with the technical and professional standards relevant to the work.