INSTITUTE OF CHARTERED ACCOUNTANTS, GHANA
INDUCTION COURSE ON THE

Code of Ethics for Professional Accountants

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Accra

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ERNST & YOUNG
Quality In Everything We Do
The IFAC Ethics Code

My dear friend;

“How much ethical awareness do you have?”
The IFAC Ethics Code

► Everyday each one of us make choices and business decisions that directly impact the way our clients, the market, employers, regulators view us and the way we see ourselves.

► The IFAC Code of Ethics has been developed to give each of us an ethical and behavioral framework on which to base these decisions and a clear set of standards on which to base our business conduct.

► The Code of Ethics draws on the commitment contained in the motto of the ICAG which is at the core of our Institute.
The IFAC Ethics Code

► The Code recognizes that we operate in diverse, demanding, dynamic and complex environment. It acknowledges that we are often faced with challenging and difficult choices. The professionalism and skill we bring to these choices, as individuals, as an Institute, and as an international organization has a major impact on our respective reputations and will shape the future of our businesses.

► Whenever we encounter an ethical issue, we have a responsibility to respond to that issue in a manner that reflects our motto i.e. INTEGRITY.
“The higher the Monkey climbs, the more its buttocks are exposed.”

Proverb from Malawi
The IFAC Ethics Code

“If your foot slips, you can recover your balance. If your tongue slips, you cannot recover your words.”

“The spoken word is like a stone, once it is thrown, it cannot be retrieved.”

[Ghanaian proverbs]
AGENDA

► Introduction

► General Application of IFAC Code of Ethics

► Professional Accountants in Public Practice

► Professional Accountants in Business and the Public Sector
GENERAL APPLICATION OF THE IFAC CODE OF ETHICS
The IFAC Ethics Code

The Code is in THREE parts as follows:

Part A establishes the fundamental principles of professional ethics for Professional Accountants and provides a conceptual framework for applying those principles.

Parts B and C illustrate how the conceptual framework is to be applied in specific situations. Part B applies to professional accountants in public practice. Part C applies to Professional Accountants in business.
Agenda

► Mission of IFAC
► The importance of ethics
► Fundamental principles
► Conceptual framework
► Threats and safeguards
Mission of the International Federation of Accountants

To serve the **public interest**, IFAC will continue to strengthen the worldwide accountancy profession and contribute to the development of strong international economies by establishing and promoting adherence to high-quality professional standards, furthering the international convergence of such standards and speaking out on public interest issues where the profession’s expertise is most relevant.
The Code of Ethics of the International Federation of Accountants establishes ethical requirements for Professional Accountants.

A member body of IFAC or firm may not apply less stringent standards than those stated in this Code. However, if a member body or firm is prohibited from complying with certain parts of this Code by law or regulation, they should comply with all other parts of this Code.
“Know and accept your own strengths and weaknesses. In other words; look at yourself honestly …. Understand your passions, your skills, your temperament, and your limitations. If you’re a square peg, no matter how hard you – or others work – try, you’re just NOT going to fit very well into a round hole”.

[Katie Couric]
The IFAC Ethics Code

DEFINITION

Ethics is the set of moral principles or laws of the universe that govern the behavior of a system:-

- be it an individual,
- organization or,
- society.

- Ethics is therefore the GLUE that keeps different elements of the system together - so without ethics the government, our Institute, business, our country or society cannot function properly.
What do we mean by ETHICS

It is about the way we behave towards each other, our clients, our community, our country and our regulators/legislators.

It is about honesty and integrity and working within the letter and the spirit of the law.

It is about making the right decisions and professional choices.
IFAC Fundamental Principles

A distinguishing mark of the Accountancy Profession is its acceptance of the responsibility to act in the Public interest.

Therefore, a Professional Accountant’s responsibility is not exclusively to satisfy the needs of an individual client or employer. In acting in the public interest a Professional Accountant should observe and comply with defined ethical requirements.
IFAC Fundamental Principles

► We hereby re-emphasize that a distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in the public interest.

► The Professional Accountant's responsibility is therefore NOT exclusively to satisfy the needs of an individual client or employer but to act in the Public Interest.
IFAC Fundamental Principles

► To ensure that this is achieved, the Professional Accountant should observe and abide by the ethical requirements of the International Federation of Accountants (IFAC) Code of Ethics.

► IFAC’s is a global organization with a mission that concerns the integrity and expertise of the accounting profession worldwide and in Ghana the mission is represented by the Institute of Chartered Accountants (Ghana).
What is Professionalism?

Professionalism is defined as the active demonstration of the traits of a professional.

These traits include: knowledge and skills of the profession, commitment to self-improvement of skills and knowledge, service orientation, pride in the profession, covenantal relationship with client, creativity and innovation, conscience and trustworthiness, accountability for his or her work, ethically sound decision making and leadership.

Professional development would then be the process in which a person develops these traits.
IFAC Fundamental Principles

► In essence, Professionalism is the “WILLINGNESS TO DO THE RIGHT THING ALWAYS.”

► The IFAC Code of Ethics was adopted by Ghana on 30 June 2006.
A Professional Accountant is required to comply with the following fundamental principles:

(a) INTEGRITY,

(b) OBJECTIVITY,

(c) PROFESSIONAL COMPETENCE AND DUE CARE,

(d) CONFIDENTIALITY, and

(e) PROFESSIONAL BEHAVIOR.
(a) **Integrity**
► A Professional Accountant should be straightforward and honest in all professional and business relationships.

(b) **Objectivity**
► A Professional Accountant should not allow bias, conflict of interest or undue influence of others to override professional or business judgments.

(c) **Professional Competence and Due Care**
► A Professional Accountant has a continuing duty to maintain professional knowledge and skill and act diligently and in accordance with applicable technical and professional standards.
(d) Confidentiality

A Professional Accountant should respect the confidentiality of information. Confidential information should not be used for the personal advantage of the Professional Accountant or third parties.

(e) Professional Behavior

A Professional Accountant should comply with relevant laws and regulations and should avoid any action that discredits the profession and our dear Institute of Chartered Accountants, Ghana (ICAG).
Conceptual Framework

The conceptual framework requires a Professional Accountant to identify, evaluate and address threats to compliance with the fundamental principles, rather than merely comply with a set of specific rules.

The circumstances in which Professional Accountants operate may give rise to specific threats to compliance with the fundamental principles.
Threats and Safeguards

Threats fall into the following general categories:

(a) Self-interest threats;
(b) Self-review threats;
(c) Advocacy threats;
(d) Familiarity threats; and
(e) Intimidation threats.
Safeguards that may eliminate or reduce such threats to an acceptable level fall into two broad categories:

- **Safeguards created by the profession, legislation or regulation; and**

- **Safeguards in the work environment.**
Threats and Safeguards (cont’d …/3)

Safeguards created by the profession, legislation or regulation include, but are not restricted to:

► Educational, training and experience requirements for entry into the profession.
► Continuing professional development requirements.
► Corporate governance regulations.
► Professional standards.
► Professional or regulatory monitoring and disciplinary procedures.
► External review by a legally empowered third party of the reports, returns, communications or information produced by a Professional Accountant.
Safeguards, which may be created by an employing organization or in the work environment, include, but are not restricted to:

► Effective, well publicized complaints systems operated by the employing organization, the profession or a regulator, which enable colleagues, employers and members of the public to draw attention to unprofessional or unethical behavior; and

► An explicitly stated duty to report breaches of ethical requirements.
Who is a BIG MAN?

Really **Big People** are, above everything else, courteous, considerate and generous – not just to some people in some circumstances – but to everyone all the time.

*Thomas J Watson*
Professional Accountants
IN PUBLIC PRACTICE
“It takes 20 years to build a reputation and 5 minutes to ruin it. If you think about that you will do things differently”.

Warren Buffett
“Goodwill like a good name is got by many actions, and lost by one”.

Lord Jeffrey
1773–1850, Scottish critic and judge
AGENDA

► Introduction
► Professional Appointments
► Conflicts of Interest
► Second Opinions
► Fees and Other Types of Remuneration
► Marketing Professional Services
► Gifts and Hospitality
► Custody of Client Assets
► Objectivity—All Services
► Independence—Assurance Engagements
Introduction

A Professional Accountant in practice should NOT engage in activity that might impair his/her integrity, objectivity and the good reputation of the profession.

Compliance with the fundamental principles may potentially be threatened by a broad range of circumstances.

The nature and significance of the threats may differ depending on the nature of the professional engagement.
Professional challenges

Some challenging situations members of a professional services firm could face include:

► Cosy relationships  
► Billing issues  
► Avoiding/evading tax  
► Sideline business  
► Conflict of interest  
► Investments in clients  
► Confidentiality  
► Client gifts  
► Gender discrimination  
► Excessive revenue targets
Professional Appointments

- Client Acceptance.
- Engagement Acceptance.
- Changes in a Professional Appointment.
Professional Appointments (cont’d)
- Client Acceptance considerations

► Identify potential threats to compliance with the fundamental principles;

► Evaluate significance of any threats identified and apply safeguards to eliminate or reduce threat to an acceptable level.

► Where it is not possible to reduce the threats to an acceptable level, a Professional Accountant should decline to enter into the client relationship.

► Acceptance decisions should also be periodically reviewed for recurring client engagements.
A Professional Accountant in public practice should evaluate the significance of identified threats and, if they are other than clearly insignificant, safeguards should be applied as necessary to eliminate them or reduce them to an acceptable level.

Such safeguards may include:

► Understanding the client’s business;
► Understanding the relevant industries or subject matters.
► Possessing or obtaining experience with relevant regulatory or reporting requirements.
► Assigning sufficient staff with the necessary competencies.
► Using experts where necessary.
► Agreeing on a realistic time frame for the performance of the engagement.
► Compliance with quality control policies and procedures.
A Professional Accountant replacing another Professional Accountant, should determine whether there are any reasons, professional or other, for not accepting the engagement.

This may require direct communication with the existing Accountant.

An Existing Accountant is bound by confidentiality.

Where the threats cannot be eliminated or reduced to an acceptable level a Professional Accountant should, decline the engagement.
Conflict of interest

A Professional Accountant in public practice should take reasonable steps to identify circumstances that could pose a conflict of interest. Such circumstances may give rise to threats to compliance with the fundamental principles.

Depending upon the circumstances giving rise to the conflict, safeguards should ordinarily include:

(a) Notifying the client of the firm’s business interest or activities that may represent a conflict of interest, and obtaining their consent to act in such circumstances; or

(b) Notifying all known relevant parties that the Professional Accountant in public practice is acting for two or more parties in respect of a matter where their respective interests are in conflict, and obtaining their consent to so act; or

(c) Notifying the client that the Professional Accountant in public practice does not act exclusively for any one client in the provision of proposed services (for example, in a particular market sector or with respect to a specific service) and obtaining their consent to so act.
The following additional safeguards should also be considered:

(a) The use of separate engagement teams;

(b) Procedures to prevent access to information (e.g., strict physical separation of such teams, confidential and secure data filing);

(c) Clear guidelines for members of the engagement team on issues of security and confidentiality;

(d) The use of confidentiality agreements signed by employees and partners of the firm; and

(e) Regular review of the application of safeguards by a senior individual not involved with relevant client engagements.
Second opinions

When a Professional Accountant is asked to provide a second opinion that may give rise to threats to compliance with fundamental principles, safeguards should be considered and applied as necessary to eliminate or reduce them to an acceptable level.

Such safeguards may include:

► seeking client permission to contact the existing Accountant;
► describing the limitations surrounding any opinion in communications with the client; and / or
► providing the existing Accountant with a copy of the opinion.

If the entity seeking the opinion will not permit communication with the existing Accountant, the Professional Accountant should consider whether it is appropriate to provide the opinion sought.
Fees and other types of remuneration

A Professional Accountant in public practice may quote whatever fee deemed to be appropriate. Nevertheless, there may be threats to compliance with the fundamental principles arising from the level of fees quoted.

Safeguards should be considered and applied as necessary to eliminate them or reduce them to an acceptable level.
Fees and other types of remuneration

Safeguards which may be adopted include:

- Making the client aware of the terms of the engagement and, in particular, the basis on which fees are charged and which services are covered by the quoted fee.

- Assigning appropriate time and qualified staff to the task.
Contingent fees

Contingent fees may give rise to threats to compliance to fundamental principles in certain circumstances. The significance of such threats will depend on factors including:

► The nature of the engagement;
► The range of possible fee amounts;
► The basis for determining the fee; and
► Whether the outcome or result of the transaction is to be reviewed by an independent third party.

Such safeguards may include:

► An advance written agreement with the client as to the basis of remuneration;
► Disclosure to intended users of the work and the basis of remuneration;
► Quality control policies and procedures; and
► Review by an objective third party of the work performed by the Professional Accountant.
Contingent fees (cont’d …/2)

A Professional Accountant should not pay or receive a referral fee or commission, unless the Professional Accountant has established safeguards to eliminate the threats or reduce them to an acceptable level. Such safeguards may include:

► **Disclosing to the client any arrangements to pay a referral fee to another Professional Accountant for the work referred.**

► **Disclosing to the client any arrangements to receive a referral fee for referring the client to another Professional Accountant in public practice.**

► **Obtaining advance agreement from the client for commission arrangements in connection with the sale by a third party of goods or services to the client.**
Marketing professional services

When a Professional Accountant solicits new work through advertising or marketing, there may be potential threats to compliance with the fundamental principles.

The Professional Accountant should be honest and truthful and should not:

► *Make exaggerated claims for service offers, qualifications possessed or experience gained; or*

► *Make disparaging references to unsubstantiated comparisons to the work of another.*

If the Professional Accountant is in doubt whether a proposed form of advertising or marketing is appropriate, the Accountant should consult with the relevant professional body.
Gifts and hospitality

Self-interest threats to objectivity may be created if a gift from a client is accepted; intimidation threats to objectivity may result from the possibility of such offers being made public. The significance of such threats will depend on the nature, value and intent behind the offer.

If evaluated threats are other than clearly insignificant, safeguards should be considered and applied as necessary to eliminate them or reduce them to an acceptable level.

When the threats cannot be eliminated or reduced to an acceptable level through the application of safeguards, the Accountant should not accept such an offer.
Custody of Client Assets

A Professional Accountant in public practice should **NOT** assume custody of client monies or other assets unless permitted to do so by law and, if so, in compliance with any additional legal duties imposed on a Professional Accountant holding such assets.

To safeguard against such threats, a Professional Accountant in public practice entrusted with money (or other assets) belonging to others should:

(a) Keep such assets separately from personal or firm assets;
Custody of client assets

(b) Use such assets only for the purpose for which they are intended;

(c) At all times, be ready to account for those assets, and any income, dividends or gains generated, to any persons entitled to such accounting; and

(d) Comply with all relevant laws and regulations relevant to the holding of and accounting for such assets.
Objectivity

Independence of mind and in appearance is necessary to enable the Professional Accountant to express an objective conclusion.

The Professional Accountant should evaluate the significance of identified threats and, if they are other than clearly insignificant, safeguards should be considered.

Such safeguards may include:
- Withdrawing from the engagement team;
- Supervisory procedures;
- Terminating the financial or business relationship giving rise to the threat;
- Discussing the issue with higher levels of management within the firm; and
- Discussing the issue with those charged with governance of the client.
Independence

It is in the public interest that members of assurance teams, firms and, when applicable, network firms be independent of assurance clients.

Independence requires:

► Independence of Mind;

► Independence in Appearance.
Independence (cont’d …/2)

A Conceptual Approach to Independence

Members of assurance teams, firms and network firms are required to apply the conceptual framework to the particular circumstances under consideration. In addition to identifying relationships between the firm, network firms, members of the assurance team and the assurance client, consideration should be given to whether relationships between individuals outside of the assurance team and the assurance client create threats to independence.

The objective is to assist firms and members of assurance teams in:

- Identifying threats to independence;
- Evaluating whether these threats are clearly insignificant; and
- In cases when the threats are not clearly insignificant, identify and apply appropriate safeguards to eliminate or reduce the threats to an acceptable level.
A Conceptual Approach to Independence

Consideration should always be given to what a reasonable and informed third party having knowledge of all relevant information, including safeguards applied, would reasonably conclude to be unacceptable.

There are many steps the Professional Accountant in public practice needs to take to ensure that it complies with Independence requirements: -
Sample framework to help sustain the Right Behaviors throughout the Firm

**TONE AT THE TOP**
- Importance of leadership responsibility, accountability and behavior

**INFRASTRUCTURE**
- Standards, processes, and organization structure help sustain ethical behavior

**COMPETENCE**
- Selection, development and reward of people/leaders that subscribe to your standards of ethical behavior
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AGENDA

► Introduction
► Potential Conflicts
► Preparation and Reporting of Information
► Acting with Sufficient Expertise
► Financial Interests
► Inducements
Introduction

A **Professional Accountant in Business** is someone that first meets the standards of a **Professional**.

Second, is recognized as being an **Accountant**.

And third, is in **Business**, defined as:

- Working in an organizational entity of any size and ownership structure, or alone, whether or not operating for profit, other than engaged in external audit;

- An integral member of, or support to, the management team striving to create and sustain value for stakeholders.
The roles that Professional Accountants in Business perform.

- The performance of the Professional Accountant in business is critical to the reputation and the credibility of the BUSINESS FIRM, its MANAGEMENT and the ACCOUNTANCY PROFESSION.

- Professional Accountants need to design and maintain mechanisms to assure that effective, ethical and responsible corporate governance and control is achieved.
Potential Conflicts - *Self Interest Threats*

Examples of circumstances that may create *self-interest threats* for a Professional Accountant in business include, but are not limited to:

- Financial interests, loans or guarantees.
- Incentive compensation arrangements.
- Inappropriate personal use of corporate assets.
- Concern over employment security.
- Commercial pressure from outside the employing organization.
Potential Conflicts – *Familiarity Threats*

Examples of circumstances that may create familiarity threats include, but are not limited to:

- A Professional Accountant in a position to influence financial or non-financial reporting or business decisions having an immediate or close family member who is in a position to benefit from that influence.

- Long association with business contacts influencing business decisions.

- Acceptance of a gift or preferential treatment, unless the value is clearly insignificant.
Potential Conflicts – *Intimidation Threats*

Examples of circumstances that may cause intimidation threats:

► Threat of dismissal or replacement of the Professional Accountant or a close or immediate family member.

► A dominant personality attempting to influence the decision making process.
Safeguards in the work environment include, but are not restricted to:

- The employing organization’s systems of corporate oversight or other oversight structures.
- The employing organization’s ethics and conduct programs.
- Recruitment procedures in the employing organization emphasizing the importance of employing high caliber competent staff.
- Strong internal controls
- Appropriate disciplinary processes.
- Leadership that stresses the importance of ethical behavior and the expectation that employees will act in an ethical manner.
- Policies and procedures to implement and monitor the quality of employee performance.
- Timely communication of the employing organization’s policies and procedures, including any changes to them, to all employees and appropriate training and education on such policies and procedures.
- Policies and procedures to empower and encourage employees to communicate to senior levels within the employing organization any ethical issues that concern them without fear of retribution.
- Consultation with another appropriate Professional Accountant.
Potential Conflicts – Safeguards (Cont’d .../2)

In circumstances where the Professional Accountant believes that unethical behavior or actions by others will continue to occur within the employing organization, the Professional Accountant should consider seeking legal advice.

In those extreme situations where all available safeguards have been exhausted and it is not possible to reduce the threat to an acceptable level, the Professional Accountant may conclude that it is appropriate to resign from the employing organization.
Preparation & Reporting of Financial Information

A Professional Accountant should present information fairly, honestly and in accordance with relevant professional standards.

The Professional Accountant should maintain information in a manner that:

(a) Describes clearly the true nature of business transactions, assets or liabilities;

(b) Classifies and records information in a timely and proper manner; and

(c) Represents the facts accurately and completely in all material respects.
Threats to compliance with the fundamental principles may be created.

The significance of such threats will depend on factors such as the source of the pressure and the degree to which the information is, or may be, misleading.

Where it is not possible to reduce the threat to an acceptable level, Professional Accountants should refuse to remain associated with information they consider is or may be misleading.
Acting with Sufficient Expertise

The fundamental principle of professional competence and due care requires that a Professional Accountant should only undertake significant tasks for which he has, or can obtain, sufficient specific training or experience.

Circumstances that threaten professional ability include the following:

► Timing;
► Incomplete, restricted or otherwise inadequate information;
► Expertise/experience;
► Resources.
Acting with Sufficient Expertise

Safeguards that may be considered include:
► Training;
► Adequate timing;
► Involvement of personnel with relevant expertise;
► Consulting, where appropriate, with:
  ► Superiors within the employing organization;
  ► Independent experts; or
  ► A relevant professional body.

Where the threat cannot be eliminated or reduced, the Accountant should refuse to perform the duties in question.
Financial Interests

Professional Accountants in business may have financial interests, or may know of financial interests of immediate or close family members, that could, in certain circumstances, give rise to threats to compliance with the fundamental principles.

Examples of circumstances/situations that may create self-interest threats include:

► Direct or indirect financial interest;
► Is eligible for a profit related bonus;
► Holds, directly or indirectly, share options in the employing organization; or
► May qualify for share options or performance related bonuses in the employing organization if certain targets are achieved.
Financial Interests - Safeguards

Safeguards may include:

► Policies and procedures for a committee independent of management to determine the level of form of remuneration of senior management.

► Disclosure of all relevant interests, and of any plans to trade in relevant shares to those charged with the governance of the employing organization, in accordance with any internal policies.

► Consultation, where appropriate, with superiors within the employing organization/ those charged with governance of the employing organization or relevant professional bodies.

► Internal and external audit procedures.

► Up-to-date education on ethical issues and the legal restrictions and other regulations around potential insider trading.

A Professional Accountant in business should neither manipulate information nor use confidential information for personal gain.
Inducements may take various forms including:

- gifts;
- Hospitality;
- preferential treatment or protocol; and / or
- inappropriate appeals to friendship or loyalty.

Offers of inducements may create threats to compliance with the fundamental principles. Threats may include:

- Self interest threats to objectivity or confidentiality; and/or
- Intimidation threats to objectivity or confidentiality.
Inducements - Safeguards

Assess the risk associated with all such offers and consider whether the following actions should be taken:

a) Where such offers have been made, immediately inform higher levels of management or those charged with governance of the employing organization;

b) Inform third parties of the offer – for example, a professional body or the employer of the individual who made the offer; a Professional Accountant in business should, however, consider seeking legal advice before taking such a step;

c) Advise immediate or close family members of relevant threats and safeguards where they are potentially in positions that might result in offers of inducements, for example as a result of their employment situation;

d) Inform higher levels of management or those charged with governance of the employing organization where immediate or close family members are employed by competitors or potential suppliers of that organization.
Making Offers

A Professional Accountant in business may be in a situation he is expected to, or is under other pressure to:
► offer inducements to subordinate the judgment of another individual or organization;
► influence a decision-making process; or
► obtain confidential information.

Where the pressure to offer an unethical inducement comes from within the employing organization, the Professional Accountant should follow the principles and guidance regarding ethical conflict resolution.
The final lap

► Ethics in Action.

► Questions we should always ask.

► Next steps.
The best of ethical values and intentions are relatively meaningless unless they generate fair and just behaviors in the workplace.

That's why practices that generate lists of ethical values, or code of ethics, must also generate policies, procedures and training that translate those values to appropriate behaviors.
Ethics in Action (cont’d)

Objective
To help restore public confidence by motivating and sustaining ethical behavior across your organization

Key Elements and Attributes

- Chief Ethics and Compliance Officer
- Ethical Principles of the Organization
- Code of Conduct
- Ethics communication and awareness building
- Channels for reporting ethical conduct
- Disciplinary action
- Leadership commitment and involvement
Questions we should **ALWAYS** ask ourselves:

- Have I consulted appropriately with colleagues and superiors?
- Are my actions legal and in compliance with the standards of our profession?
- Am I compromising my integrity or the integrity of my profession, the Institute of Chartered Accountants Ghana and clients?
- Am I upholding the values of the profession?
- Am I treating others the way I expect others to treat me?
Questions we should **ALWAYS** ask ourselves:

- Is my choice of action the most ethical among the possible alternatives? Do I feel good about my choice?

- If I document my decision, would a reviewer agree with the action I have taken?

- Would my actions damage the reputation of my self, firm, the Institute and the profession as a whole?
Questions we should **ALWAYS** ask ourselves:

- 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 the company/firm’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?
Dear Professional Accountant, do you recall the many questions we have to ask ourselves whenever we have any ethical challenges? The choices are never easy.

Don’t just go the easy and the most convenient way to save your face in the short run but choose to do the right thing no matter the cost!!

Ethics is not just a business issue nor is it a social issue or a political issue. It is always a personal issue.
Remember that the battlefield is never easy but keep in mind also that it is NOT all doors that are opened by God? Good name will forever be better than riches!!!!

Do you know how the House fly pays its way when it travels??

Remember any person without Standards or Values is empty!
The Code of Conduct is in **three parts** as follows:

**Part A** establishes the **fundamental principles** of professional ethics for Professional Accountants and provides a conceptual framework for applying those principles.

**Parts B** and **C** illustrate how the conceptual framework is to be applied in specific situations. **Part B** applies to Professional Accountants in **Public Practice**. **Part C** applies to Professional Accountants in **Business**.
Welcome to the club, fellow Professional Accountant.

“Be guided however as success is not an overnight package; it comes with lengthy moments of sweat and toil by doing the RIGHT THINGS over, over, over, over, over, over, over, over, over, over and over again!”
Code of Ethics

George Mikes said something intriguing about the Englishman:

► An Englishman, even if he is alone, forms an orderly queue of one.”

► Don’t joke with Ethics. Its highly inflammable!!

► “You can easily be disgraced or lose your reputation!”
Watch list

“A thief is a thief whether he steals an Orange or a Diamond”

Remember that a Bird is caught by its Wings, a Man, by his Tongue.
Some tips for your Ethics’ journey

• Never look down on anybody.
• Avoid pre-mature celebration.
• Remember silence can never be quoted or misquoted.
• Learning from your past mistakes and the mistakes of others.
• Never allow peoples’ opinions affect the way you see yourself.
• Never spend more time on a critic than you spend on a friend.
Some tips for your Ethics’ journey

► Never look down on anybody

► We live in a world where success has been wrongly defined. Success today has been defined based on physical things like the way you dress, the car you drive, the house you live in etc. And this has made it easy for people that do not fit into the “success world” to be neglected and looked down upon.

► One thing we must realize is that everyone that is on top today was once down, and so will everyone that is down today end up at the top, if they do what needs to be done.

► Those you despise today may be those you will need tomorrow. There have been cases of people that have been despised people only to regret it later, and there have also been cases of people who have helped other people when they were down only to reap it in a big way later.

► Treat people well and have a nice attitude.
Some tips for your Ethics’ journey

► Avoid pre-mature celebration

► A story is told of a man who has been trusting God for a visa went to the American Embassy and got a visa after several refusals. On his way home he was so full of joy that he began his celebration in the taxi only to get home and discovered that he had forgotten his international passport with the visa in the taxi.

► Most people open the door for the enemy in their lives by celebrating before the appointed time. I friend use to tell pregnant women to be careful whom they tell about their pregnancy because we live in an interesting world.

► Pregnancy is a SELF-ADVERTISING MIRACLE that will testify itself. Whatever calls for celebration should be allowed to get to its completion before the celebration.

► Nobody celebrates harvest when the fruit is still unripe on the tree even though it is visible. That will be a pre-mature celebration!
Some tips for your Ethics’ journey

► Remember Silence can never be Quoted or Misquoted
How do you feel when a statement you made or a comment you gave concerning a matter with the best of intention is misquoted, even though you were only trying to help?

► Definitely you will feel bad and possibly feel it would have been better to keep quiet on the issue. One thing I have come to realize is that silence truly is the best answer for a fool.

► A man who talks too much reduces the weight of his word, but he who talks less has caused the value of his word to increase.
Some tips for your Ethics’ journey

► I believe God gave us two ears and one mouth so that we can hear more and say less. He also gave us two eyes so that we can see more and say less.

► You don’t have to speak always, just speak at the right time and be sure to say the right thing. We are NOT advocating for unhealthy secrecy or negative concealment of vital information that will benefit humanity. We are only saying common sense demands that it is better to keep quiet when one has nothing to say than to say something and cause confusion.

► Professional Accountant, just watch your lips! Silence is golden so says the Good Book!!!
Some tips for your Ethics’ journey

► Learning from past mistakes and that of others
  ► *Experience is the name everyone gives to their mistakes* – Oscar Wilde, 1892
  ► Mistakes may be painful but they are wonderful things which we ought to grow up to embrace and cherish. Our mistakes are often blessings in disguise. They are necessary for fuller growth and maturity.

► What is a mistake? It is often not a criminal act or behaviour. A mistake is simply an error in judgment. It is a blunder, something said or an action taken often because we lacked complete or the fullest information on a matter. It is straying away from the norm or standard. A mistake may lead us to misunderstand a person or a situation. Our intentions may be right but a mistake can lead us to err in a great way. Even in marital relationships, we may choose the wrong partner and then discover that we made a costly mistake which could lead to divorce. In business, a costly mistake may lead to a huge loss of profit.

► Who makes mistakes? Again, we all do. A Latin saying puts it this way; “To err is human”.
Some tips for your Ethics’ journey

► Alexander Pope (1688-1744) modified this statement when he wrote that “To err is human, to forgive is divine”.

► The great men and women who are our heroes and heroines of the past were not flawless nor infallible people. Think of such biblical characters: Moses, the murderer, St. Peter, the liar and betrayer and St. Paul, a blasphemous persecutor). They were all far from perfect.

► The rich and the politically powerful are not immune to making some serious mistakes, either. Former president Bill Clinton made a very serious mistake during his presidency by having a tete-a-tete with Monica Lewinsky, a White House intern who was only about 22 at the time. This mistake almost cost Clinton the presidency. Clinton publicly apologised to the American people afterwards.
Some tips for your Ethics’ journey

Learning from past mistakes (continued)

Also, president John Kennedy and his brother, Bobby also made some mistakes as womanizers while in public office.

Religious leaders have also made some serious mistakes. In the 1980s, televangelists Jim Bakker and Jimmy Swaggart lost their credibility and ministries for a while because of their alleged sordid sexual encounters with women other their wives. A former church secretary, Jessica Hahn, who later pose nude for Playboy magazine, brought Bakker down from glory to grass.

The evangelist Swaggart ruined himself “by cavorting with prostitutes”. Another popular charismatic minister, Oral Roberts, made a mistake when he publicly declared that “God told him he would find a cure for cancer if everyone sent in US$240” to his Ministry.
Some tips for your Ethics’ journey

► Learning from past mistakes (continued)

► If you still doubt that everyone can make mistakes, then I suggest to you to read the Lifestyles of the rich and famous (1986) by Robin Leach, Presidential Passions: The love affairs of American Presidents – from Washington and Jefferson to Kennedy and Johnson (1991) by Michael John Sullivan, and Dynasty: The Authorised Biography of the Carringtons (1984).

► But why do people make all these mistakes? Primarily, it is because we are human beings.

► Do you really believe that the brightest, most talented, generous and influential people among us would deliberately go out of their way to ruin themselves by making costly mistakes? No. I believe the reason for their actions lies in our fallen humanity.
Some tips for your Ethics’ journey

► Learning from past mistakes (continued)

► Life is also about taking risks. It is trial and error process that leads to inventions, discoveries and super-normal profits. When you fail you try again. Keep the words of Buckminster Fuller always in mind: “Humans have learned only through mistakes”.

► It is possible that on your road to success, you will like Thomas Edison, make 10,000 mistakes before you discover your own electric bulb. But remember the words of Oscar Wilde, “experience is the name everyone gives to their mistakes. Mistakes will offer you the benefit of having some personal experiences. As the saying goes, Experience is the Best Teacher.

► For you to succeed as a professional Accountant, please be mindful of your past mistakes and the mistakes of others. You will certainly move along a little faster on the road to success.
Some tips for your Ethics’ journey

► Never push till tomorrow whatever you can do today

► Procrastination has been the undoing of many. We have all seen many people miss an opportunity because they were not prepared for it.

► However, their lack of preparedness is based on the fact that they have pushed forward the opportunity to prepare themselves. To push today’s work to tomorrow, equals overloading your tomorrow. Wake up and get to work.

► What would you have done that you have not done? Who would you have visited that you have not visited?

► Where would you have gone that you have not gone?

► What move would you have made that you have not made? What would you have accomplished today that you have postponed till tomorrow.

► Procrastination delays your destiny – Wake up!!
Some tips for your Ethics’ journey

► Never allow peoples’ opinions affect the way you see yourself

► One of the things I have come to realize in life is the fact that people give names to all the things they do not understand.

► You cannot stop people from saying whatever they feel about you, but you can determine the way you react to their criticism. Just as they have freedom of speech, you also have freedom of choice and reaction. What do you see in yourself?

► If you don’t know who you are, you will accept the definition of others. You need to see yourself the way God see you, so that you can have a strong self-esteem to overcome negative arrows.

► Whatever people say about you is their personal opinion and it is not infallible, therefore let them say!
Some tips for your Ethics’ journey

► Never spend more time on a critic than you spend on a friend

► A lot of people have wasted their time, energy, resources etc. in trying to prove their critics wrong without a meaningful result. When people have made up their minds about you, wisdom demands that you concentrate on being yourself and let your **character**, **life style** and **attitude** speak for you.

► It is wiser to spend time on friends, families and loved ones than waste it on those who do not value you.

► Why waste time to make eight pages of a writing to convince a critic that you are not proud, when you can write one page each to eight others to encourage and appreciate them.

► Cast not you pearls before the swine!!
In Africa, we say all the difficult things with Proverbs or Wise Sayings.

Please permit me at this stage to recall some of the Principles and Values we have shared in the form of Proverbs and Wise Sayings!!
“What you do when you are drunk, you must pay for when you are sober.”

“If your foot slips, you can recover your balance, if your tongue slips, you cannot recover your words!” [Ghanaian proverb]
Code of Ethics

► It is NOT always that the Majority is RIGHT. The majority can sometimes also get it wrong while the Minority get it RIGHT!

► So the fact that everybody is doing the wrong thing doesn’t make it RIGHT!
"The spoken word is like a stone, once it is thrown, it cannot be retrieved."

[Ghanaian proverb]

“A baby in its mother’s womb does not feel the Smoke in its mother’s kitchen.”  

[Ghanaian proverb]
Code of Ethics

“Happiness is a perfume, you must pour it on yourself for others to appreciate it.”
[Nigerian proverb]

Don’t joke with ETHICS. Its highly inflammable! You can easily be disgraced or lose your reputation!
Code of Ethics

► Only a Tortoise knows where to bite another Tortoise so ......Consult, consult, consult and consult always!

► When it come to Ethics, please never get tired consulting!!
“The only thing to do with Good Advice is to pass it on.”
[Ugandan proverb]

“Kind words do not wear out the tongue!”
[Liberian proverb]
Code of Ethics

“The Tongue is like a horse, if you ride it gently, it takes you to safety, if you ride it roughly, it gets you into trouble.”

[Zambian proverb]

“You cannot climb two trees at the same time just because you have two legs!”

[Kenyan proverb]
Code of Ethics

► Truth is like Oil, no matter how much water you pour on it, it will always float - Nigeria

► “Be like an Englishman, even if you are alone, form an orderly queue of one person”
Code of Ethics

- A Man’s character cannot be washed off by the rain.  - [Nigerian proverb]

- A good name is better than the Strongest Perfume - Ethiopian Proverb.

- Remember that a Bird is caught by its Wings, a Man, by his Tongue - [Ghanaian proverb]
Code of Ethics

BE A DOER OF THE WORD!!

► Everything you have gotten from this presentation will be useless to you if you do not make any conscious effort to put them into practice. To practicalise this presentation or not to is to lose what you have gained.

► If you put these principles, values and concepts to work in your life and business, you will no doubt be a successful Chartered Accountant and become an envy of many.

► See you at the top and not below!
Some tips for your Ethics’ journey

“The Code of Ethics for Professional Accountants will be useless, baseless and unhelpful unless we all live it”.

Final comments!!

► Our chair person, ladies and gentlemen of this noble profession, let’s all learn to do the right things always!!

► Please, listen to your conscience all the time and have a positive attitude!!
End of presentation!!

Thank you!!
Questions and comments

Thank you !!