



The Institute of Accounting and Commerce

Code of Ethics and Professional Conduct

(Incorporating Guidelines to Professional Accounting, Administrative and Managerial Practice)

Letter from the Board of Directors

The Institute of Accounting and Commerce is a professional association of qualified accountants, administrators, managers and business people engaged in administrative, financial and managerial pursuits in commerce, industry and the public sector.

The Institute of Accounting and Commerce fulfils complementary roles as a professional management association and an examining body. As an examining body the Institute of Accounting and Commerce is primarily concerned with formal business and management education. As a professional association, it is concerned with raising and maintaining high standards of ethical conduct and professional practice amongst its members.

As such, members of the Institute of Accounting and Commerce are expected to promote the aims and objectives of the institute and in particular to strive for the highest possible degree of professionalism in their work. Our already high standing amongst employers, business and professional organizations, government agencies and educational bodies throughout Southern Africa will be further enhanced by the knowledge that the principles and standards as set out in the Institute of Accounting and Commerce Code of Ethics and Professional Conduct are respected and pursued by all its members.

As the Board of Directors, we are committed to the highest ethical standards in conducting our business. This reflects our belief that business should be conducted honestly and with integrity.

The Code is our promise that these ethical standards will underpin every feature of our actions. It sets out the standards of conduct that our members and other stakeholders can expect from us and we can expect from them.

We personally commit to these standards and ask each of you to do likewise.

**CHAIRMAN
BOARD OF DIRECTORS**

29 October 2009

1. PREAMBLE AND SCOPE

The Purpose of the **Institute of Accounting and Commerce Code of Ethics and Professional Conduct** is to set the standards of behavior, which all directors, members and employees (hereafter collectively referred to as members) of the Institute will be required to adhere to.

It sets the ethical standards for business practice and individual business conduct, and it seeks to assist and guide all relevant stakeholders with their ethical deliberations, choices, decisions and conduct.

The supporting Guide to Good Administrative and Managerial Practice has been developed to cover what are considered to be the four major areas of responsibility for practicing members.

These are:

- Duties and responsibilities as individuals.
- Duties and responsibilities as towards clients
- Duties and responsibilities as towards organization
- Duties and responsibilities as towards the community

Professionally qualified administrators or managers need to be held in high regard – particularly as relates to their ethical character and professionalism. The Institute of Accounting and Commerce believes that the **Code of Ethics and Professional Conduct** will help place its members in a more appropriate light in the eyes of their employers, employees, business and professional associates, younger people contemplating a professional career in a branch of administration, finance or management, as well as society at large. Hence our declared objective of achieving “... the highest standards of professional competence and ethical conduct amongst our members....”

The **Institute of Accounting and Commerce Code of Ethics and Professional Conduct** is binding on all members of the Institute of Accounting and Commerce. Violation of the principles and guidelines contained herein will lead to disciplinary action under this Code and the disciplinary powers contained under the Institute’s Articles of Association and By-Laws.

2. OUR CORE VALUES

In pursuit of our vision, mission and declared objective, we invest in the core values of:

- **Integrity**
 - Requiring each of us to be honest, consistent and open in our conduct.
- **Inclusiveness**
 - Requiring each of us to take the interests of all relevant stakeholders into account in our decision-making and practices.

- **Quality**
 - Requiring each of us to deliver services and practices of an exceptional standard.
- **Professionalism**
 - Requiring each of us to display the character and competence in which others can place confidence.
- **Aspiration**
 - Requiring each of us to push beyond the existing limits, and to strive to break new ground.
- **Progressiveness**
 - Requiring each of us to continuously broaden our knowledge and to develop our skills in order to be at the forefront of developments in our profession.
- **Human Dignity**
 - Requiring each of us to recognize the inherent worth of every human being and to treat all people accordingly.
- **Leadership and Innovation**
 - Requiring each of us be leaders in our field of expertise and to be aware of the potential for value-adding innovation and leadership in all our practices and services.

The Institute of Accounting and Commerce is firmly grounded in these eight core values that we embrace and practice in pursuit of our objectives. Our expected standard of conduct is furthermore supported by our unwavering commitment to uphold the primary principles of ethical conduct that underpins our values.

3. PRINCIPLES OF ETHICAL CONDUCT

It is expected of all our members to subscribe to the following over-arching principles of ethical conduct. **As such all members shall:**

- i. At all times act in the public interest;
- ii. At all times discharge allotted and accepted responsibilities with integrity;
- iii. Not allow bias, conflict of interest or undue influence of others to override professional or business judgments;
- iv. Maintain professional knowledge and skill at the level required to ensure competent professional services to clients or employers;
- v. Respect the confidentiality of information required as a result of professional or business relationships, and not disclose any such information to third parties without proper and specific authority, unless so required by law;
- vi. Not misuse authority or office for personal gain;

- vii. Conduct themselves in a manner consistent with the high standards and good reputation of members and the Institute of Accounting and Commerce;
- viii. Act with fairness and integrity towards all persons with whom their work is connected, towards other members and in compliance with the letter and the spirit of current statutory and other legal requirements of the country in which they reside;
- ix. So order their personal conduct as to uphold and not recklessly or maliciously injure the professional reputation of the Institute of Accounting and Commerce, or another person or company; and
- x. Comply in all respects with the Professional Administrative and Management Practice Guidelines incorporated with this Code.

Membership could be terminated should a member be found guilty by a disciplinary committee of the Institute of Accounting and Commerce Board of conduct in breach of this Code of behaviours such as dishonesty, breaches of confidentiality, corruption and criminal behaviour.

4. GUIDELINES TO PROFESSIONAL ADMINISTRATIVE AND MANAGERIAL PRACTICE

A. Duties and responsibilities as individuals

Members of the Institute of Accounting and Commerce as individuals, have personal responsibilities, and shall:

- i. Demonstrate integrity and humanity, and avoid all unfair discriminatory practices including those relating to race, colour, language, nationality, ethnic origin, gender, age, handicap, religion, social and political background;
- ii. Have high regard for the interests of society in carrying out the policies of the organisation in which they are employed;
- iii. Not injure or attempt to injure, maliciously or recklessly the professional reputation, prospects, interests or business of other individuals, irrespective of whether they are members of the Institute of Accounting and Commerce or not;
- iv. Not use any information gained during the provision of professional services to a client, for personal gain either for themselves or for any other person whatsoever;
- v. Properly balance the interests of their employer with their personal responsibilities and commitments;
- vi. Engage in continued learning to improve their professional competence and pursue new ideas, methods, practices and advances in technology;

- vii. Accept only such work as they believe they are qualified or competent to perform, and where necessary, obtain expert advice, assistance or supervision;
- viii. Be fully conversant with the codes of other professional associations which are relevant to their work responsibilities;
- ix. When called upon to give an opinion, to do so objectively and to the best of their ability;
- x. Not accept gifts or hospitality from a client if it poses a risk to a member's objectivity and professionalism;
- xi. Not allow any person to use their practice number, even if they are in partnership with such a person;
- xii. Act honestly and fairly in their dealings with others; and
- xiii. Be courteous to others at all times.

B. Duties and responsibilities as towards clients

Members of the Institute of Accounting and Commerce, as professionals, have specific responsibilities towards their clients, and shall:

- i. Strive to the best of their ability to serve the needs of their clients efficiently and professionally;
- ii. In regard to the affairs of the client, act and perform their professional functions in good faith, honestly and diligently;
- iii. Always maintain objective, professional standards and ensure that the legitimate interest of the client being advised is paramount in any recommendations and advice given;
- iv. Always ensure that the clients' interest rank ahead of any other business pressure on or business commitment they may have;
- v. Not attempt to sway the client's judgments to obtain commercial or financial benefit for their employer, associates or themselves;
- vi. Act diligently in accordance with applicable technical and professional standards when providing professionals services;
- vii. Only accept that number of clients as they can effectively and professionally service;
- viii. When requested or by law required to do so, advise clients on the financial management of their business;
- ix. Not disclose any aspect of the business affairs of a client to a third party, which includes family members and social acquaintances, except as required by law, underwritten authority granted by the client, or under professional duty or right to disclose;

- x. Report to the client any dishonest or criminal activity discovered in the course of their professional duties;
- xi. Not make exaggerated claims for the services they are able to offer, the qualifications they possess, or experience they have gained;
- xii. Have proper regard for the professional standards expected of them and shall not continue work for which they are not competent without first obtaining such or assistance as is necessary to enable the work to be carried out competently;
- xiii. Maintain professional independence at all times without control of influence from others and, in event of any potential or current conflict of interest arising, inform all interested parties and offer to withdraw; and
- xiv. Only charge a client for professional services rendered.

C. Duties and responsibilities of members towards organisations at which they are employed

Members shall take appropriate actions to achieve the objectives of the organisations at which they are employed by following recognised standards and methods of professional practice.

In particular, their actions should include:

- i. The effective and economic management of all available resources;
- ii. The appointment, training and development of employees seeking to integrate their aspirations with the requirements of the organisation;
- iii. The creation of a humane, safe, healthy and satisfying working environment;
- iv. The development of effective communication, understanding and cooperation between all employees;
- v. The practice of delegation of authority wherever possible and the acceptance of responsibility for the work of subordinates;
- vi. The fair, objective and equitable treatment and remuneration of employees;
- vii. Immediate full disclosure of any personal interest and refraining from activities which conflict with the interests of the organisation and the acceptance of gifts which could be interpreted as undue influencing;
- viii. The frequent review of objectives; and
- ix. The sustainment of the rights, honour, and integrity of the organisation.

D. Duties and responsibilities towards the community

Members shall recognise the interests of the community and act accordingly.

Their actions should include:

- i. Making every endeavour to conserve the environment, having regard for the rights of future generations;
- ii. Preserving and, wherever possible, improving the quality of life within the organisation's sphere of influence;
- iii. Promoting the development of further understanding in society of the role and place of the business community;
- iv. Ensuring that all contracts and terms of business are clear, concise and honoured in full, unless terminated or modified by mutual consent;
- v. The exclusion of corrupt practices;
- vi. Ensuring that all their communications are true and not misleading;
- vii. Respecting the cultural and moral standards and the dignity of the individual;
- viii. Participating in public affairs, utilising available professional capacity; and
- ix. Conducting their professional life consistently within the canons of good citizenship.

5. REPORTING VIOLATIONS OF THE CODE

If a member detects or suspects unethical or illegal conduct on the part of another member, he/she should immediately report it to the Chief Executive Officer of the Institute of Accounting and Commerce.

The following reporting mechanisms may be used:

Via post:

The Chief Executive Officer
The Institute of Accounting and Commerce
P.O. Box 36477
Glosderry
7702

Via telephone:

(021) 7616211

Via fax:

(021) 761 5089

Via email:

ceo@iacsa.co.za

The Institute of Accounting and Commerce gives the assurance that all reports will be treated as confidential. Reports may also be made anonymously which means that the member's name is not stated when reporting unethical conduct. It however, remains member's responsibility to ensure that they protect their anonymity when making reports as well as afterwards.

6. SEEKING ADVICE CONFIDENTIALLY

There might be times when members are uncertain about whether or not a decision they are making is consistent with the letter and spirit of the Institute of Accounting and Commerce **Code of Ethics and Professional Conduct**. In such situations members can contact the Office of the Chief Executive Officer of the Institute of Accounting and Commerce via the contact details set out in section 5 above.

7. MAKING ETHICAL DECISIONS

Whenever a member makes a decision, ask the following four questions. If you can answer yes to all four, the decision is probably ethical and compliant with the core values, principles and guidelines within the Code.

If not, there may be an ethical issues related to the course of action making it best to seek guidance.

Q 1 P = Policy and procedures

Is the behavior I am considering permitted by the conduct provisions in the Code as well as other policies or procedures applicable to the situation?

Q 2 L = Laws and regulations

Is it permitted by national laws and regulations?

Q 3 U = Universal values

Do the universal values of my profession permit me to do it?

Q 4 S = Self

Do my personal values - my own sense of trustworthiness and excellence – permit me to do it?

8. CUSTODIANSHIP

The **Institute of Accounting and Commerce Code of Ethics and Professional Conduct**, incorporating the Guidelines to Professional Administrative and Managerial Practice, should not be seen to be static and unalterable. Every member has a stake in this Code. Members are therefore encouraged to keep the Institute of Accounting and Commerce informed of their views as to changes, which might be made.

Amendments which would improve further the effectiveness of the Code should certainly be considered if the Institute of Accounting and Commerce's declared objective of achieving "**the highest standards of professional competence and ethical conduct amongst its members**" is to be attained.