



44th Annual Accountants Conference

*Sustaining Ethical Standards in the
Accountancy Profession.*

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Agenda

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Introduction

As a reminder, globally, various accounting irregularities and scandals have diminished the reputation of organisations with other serious implications on these companies, professional accountants and other stakeholders.

The Nigerian environment has witnessed it's own challenges, most especially in the last decade and a lot still needs to be done in combating these challenges. Through appropriate controls, systems and structures and the dynamism of this institution, the responsibilities of other relevant stakeholders and members of the accounting profession we could put a lot of these in check. By dynamism - I mean, the ability of the system to react or anticipate market changes.

One of the principal objectives of the ICAN Act is to maintain high standards of professional practice and conduct of all members. The Act renders members liable to disciplinary action, *inter alia*, if in the course of carrying out their professional duties or otherwise they commit any act or default likely to bring discredit to members, the Institute or the profession of accountancy.

ICAN code of conduct and NSQC1 have been developed to guide members, with disciplinary measures in place. However unethical practices still persist.

Introduction (cont'd)

As professional advisers we help our clients solve complex business problems and aim to enhance their ability to build value, manage risk and improve performance. As business advisors we play a significant role in the operation of the world's capital markets. We take pride in the fact that our services add value by helping to improve transparency, trust and consistency of business processes.

Each member does not only have obligations to understand the code, but be clear on the values underlying the Code is based. These should be demonstrated through Leadership and teamwork.

Fundamental principles

Professional Code of Conduct and Guide for Members sets out Five Fundamental Principles:

- Integrity
- Objectivity
- **Professional competence and due care**
- Confidentiality
- **Professional behaviour**

Fundamental principles (cont'd)

Professional competence and due care.

“ A Chartered Accountant has a continuing duty to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques. A member should not accept or perform work, which he is not competent to undertake unless he obtains such advice and assistance as will enable him so to do”

Should developments in this case be restricted to our local environment? No?

- That is why ICAN is affiliated to IFAC
- Local partnerships are affiliated to international networks, such as PwC, BDO, Grant Thornton, PKF and RSM International.

Fundamental principles (cont'd)

Professional behaviour

“ A member should conduct himself with courtesy and consideration towards all with whom he comes in contact during the course of performing his work”

This is all about respect and putting yourself in another's shoes.

- Need to treat our colleagues, clients and others with whom we do business with respect, dignity, fairness and courtesy.
- We should commit to maintaining a work environment that is free from discrimination, harassment and retaliation.
- We should invest in the ongoing enhancement of our skills and abilities.
- We should provide a safe working environment for our people.

Role of the Institute, Firms and Individuals

The Institute

Strengthen professional monitoring processes and procedures

Stringent in enforcing the disciplinary process

Encourage members to act in a socially responsible manner, and contribute in a responsible manner to the development of communities.

Encourage the support of charitable, educational and community service activities.
Supporting university curriculum, IFRS, Governance, Ethics and Business Conduct.

Be at the vanguard of efforts to eliminate corruption and financial crime. For example, supporting Auditor Generals in the audits of MDAs.

Role of the Institute, Firms and Individuals (cont'd)

Firms

Structures & Systems: Having an ethics compliance unit to monitor all organizational processes to conform with ethical responsibilities. Having appropriate systems (technological) to support structures

Developing an ethical corporate culture, having a Code of Conduct, giving life to the Code of Conduct and responsible Leadership.

- *Organisation standards of Ethics, compliance and periodic reviews*
- *Internal Policies: Development & Compliance*
- *Whistle blowing /Complaints / Investigations*
- *Setting up of Independence Disciplinary Policy*
- *Developing, managing and resolution of complaints and allegations (a log to be in place)*
- *Provision and accessibility of Ethics Drop-boxes*
- *Monitoring completions of trainings with HR*
- *Anonymous reporting websites and emails*

Role of the Institute, Firms and Individuals (cont'd)

Individuals

While the Code provides a broad range of guidance about the standards of integrity and business conduct, no code can address every situation that individuals are likely to encounter. As a result, this Code is not a substitute for our responsibility and accountability to exercise good judgment and obtain guidance on proper business conduct.

Each member has an obligation to know and understand not only the guidelines contained in the ICAN Code, but also the values on which they are based. Knowing and understanding are not enough.

Conclusion

Appropriate structures, systems and culture in place would help in sustaining acceptable professional practise and ethical conduct among accountants.