



# Ethics on the Move Part 1

*YOUR KEY TO THE TAX COMMUNITY*




# Caryn Maitland CA(SA)

- Caryn is CA(SA and RA, who has lectured extensively at UKZN (and other institutes) specialising in Advanced Financial Accounting, returning to this space in 2023. Subsequently, Caryn specialised in facilitating Ethics conversations, keeping assurance practitioners updated and unpacking legislation for the financial sector.
- Caryn has conducted training for accountants since 2006 on various topics and has consulted on a number of technical issues. Since January 2011, Caryn has focussed on being a technical freelance consultant and trainer to the accounting profession.
- Caryn has worked extensively with analysts, directors and other users of financials to interpret, prepare, analyse and forecast information based on these financials.
- Caryn is also a member of the following SAICA bodies and committees: Eastern Region Council, National Small and Medium Practices Forum, the Accounting Practices Committee, and Chairs the Legal Practices and Accountants Committee and the Midlands District Association



# Ethics as we start 2024



**Never doubt that a small group of thoughtful, concerned citizens can change world. Indeed it is the only thing that ever has.**

**— Margaret Mead**

@Sani Sani Usman

# Ethics as we start 2024



@ Life Philosophy and Lessons

**" In matters of conscience, the law of the majority has no place; it is the moral duty of individuals to uphold what is right, despite societal norms. "**

**~ ARISTOTLE ~**

# Ethics as we start 2024

## PHILOSOPHICAL RHYTHMS



“ Everything we hear is an opinion, not a fact. Everything we see is a perspective, not the truth.”

~ Marcus Aurelius

# Setting the tone for the year

- Reflect on 2023, what lessons did the year teach you?
- What changes do you want or need to make in 2024?
- What are some of the challenges you anticipate in 2024?
- What attributes do you want to champion in your staff?
- What behaviour won't you tolerate?
- Which clients and services do you want to focus on?
- Which clients need to be closely reassessed before continuing engaging with them in 2024?
- Does your fee structure communicate your value, worth and create capacity?

# Setting the tone for the year

- How do your 2024 intentions support the Code of Conduct's 5 Principles?
  - Integrity
  - Objectivity
  - Professional Due Care and Competence
  - Confidentiality
  - Professional Behaviour
- What are my NOCLAR responsibilities if I am a professional accountant?
- What are my FICA responsibilities?
- Is my own house in order?

# “Fit and Proper” Conduct

- Overview

- Members required to operate as "fit and proper" persons according to South African case law.
- Considers conduct, personal, business and professional

- Fundamental Principles

- Integrity,
- Objectivity and Independence,
- Competence and Due Care,
- Confidentiality, and
- Behavior.

# Integrity

- Straightforward and honest conduct
- Fair dealings and truthfulness.
- A Member must not:
  - knowingly or recklessly supply information or make any statement which is false or misleading, nor knowingly fail to provide relevant information;
  - be party to bribery or any other illegal activity; nor
  - undertake any activity that involves a risk of assisting in a criminal activity

# Objectivity and Independence

- Must be objective in your work,
- Don't compromise judgements due to
  - bias
  - conflict of interest
  - Undue influence
- Be careful of taking an overly optimistic position – to make the client happy.
- Need to be morally and intellectually independent in our conduct.
  - Independent from client and when resolving conflicts between stakeholders
- Need to disclosing material risks of advice
- Need to avoid receiving any advantage from a third-party (disclose to client if not possible).

# Professional Competence and Due care

- Provide professional knowledge and technical skill
- Exercise sound judgement
- Providing competent and diligent service.
- Continuing professional development
- Awareness of relevant laws outside of tax (as well as other skills eg financial accounting).
- Diligence in assignments and duties to others.
  - Due care, thoroughness and timeliness
- Stay in your lane (use other professionals if outside your scope)
- Includes those you are responsible for – staff, trainees etc
- Applies to ALL engagements undertaken

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# Confidentiality

- Professional ethical responsibility vs Contractual obligation?
- Engagement letters
- Professional Accountants – NOCLAR?
- Safeguarding information, disclosure only with legal or professional obligation.
- Beware of inadvertent disclosure
- Seek legal advice...

# Professional Behaviour

- Avoiding behavior discrediting the profession or stakeholders.
- **Criteria for disreputable behaviour\***
- Prompt notification of convictions or judgments to SAIT.
- Should not use abusive language or rude/offensive behaviour
- Should not make false accusations
- Should not misuse their credentials or expertise
- Keeping tax affairs up to date and acting as role models

# Criteria for Disreputable Behaviour

## Automatically deemed disreputable behaviour

- if the member has been convicted of tax violations, theft, bribery , fraud, forger or issuing a forged document or of perjury, or of any offence of any which dishonesty is an element , or of an offence which in the opinion of the Board reflect adversely on the applicants fitness to be a member ; or
- If the member has been removed from an office of trust on account of misconduct as determined by a court of law or any other regulatory body.
- Disreputable behaviour may especially include being subject to a civil judgment (or accepting civil liability for any of the above

# Threats to our Principles

- Self Review
- Advocacy
- Intimidation
- Self Interest
- Familiarity

Questions and Thank you!