

FACT SHEET 2: Understanding Ethics

Refer to FACT SHEET 1 for more info on Ethics and Enabling competencies

Refer to FACT SHEET 3 for more info on Why SAICA requires all members to reflect on Ethics

Refer to FACT SHEET 4 for more detail on How to reflect on Ethics

What is ethics?

Ethics, in the context of the accountancy profession, refers to the application of a set of fundamental principles, which are set out in a Code of Professional Conduct (the Code). The principles in the Code set out the expected standard of behaviour of a professional accountant, while recognising that professional accountants have a responsibility to act in the public interest. The fundamental principles in the Code are integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The Code is applicable to SAICA members and associates (hereafter referred collectively as members).

Although the Code sets out the five fundamental principles of professional ethics, ethical competence is much broader than mere compliance with the Code. Ethics competence consists of ethics knowledge, ethics skills and ethical behaviour/attitudes.

- **Ethics knowledge** knowledge on ethical theories, ethical principles, ethical decision-making frameworks (personal and business ethics) and includes knowledge on the Code (professional ethics), etc.
- **Ethics skills** includes the ability to make decisions, the ability to negotiate appropriate solutions, the ability to communicate, the ability to apply critical thinking and other enabling competencies (refer the enabling competencies).
- **Ethical behaviour** includes demonstrating the ethics skills in practice (personally, within a business/organisational context and professionally as a CA(SA)).

In addition to the above components of ethical competencies have been further set out in the following areas:

- **Personal Ethics:** The ethical principles and values applied by an individual to decision-making, conduct and interaction between oneself and others.
- **Business Ethics:** The ethical principles and values applied by the organisation to decision-making, conduct and the relationship between the organisation, its stakeholders and society.
- **Professional Ethics:** The fundamental ethical principles and values applied by a professional Chartered Accountant (CA(SA)) to decision-making, conduct and the relationship between the professional, its stakeholders and society.

It is clear from this therefore that understanding, applying and behaving ethically goes beyond a mere application of the Code of Professional Conduct.

Disclaimer:

Please take careful note that while SAICA does not seek to be prescriptive on the personal ethics of any individual, when an individual is engaged in activities within the professional and/or business contexts, alternatively engaged in activities where the SAICA designation is found to be relevant, an individual is required to act in accordance with the required standards as set out in the SAICA By-laws; SAICA Code of Professional Conduct; SAICA Regulations and Policies as well as to adhere to all relevant legislation.

Failure to act to the above required professional and business standards may result in an individual being found guilty of punishable conduct in terms of the SAICA Disciplinary Code.

