

## **FACT SHEET 4: How to reflect on Ethics**

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

*Refer to FACT SHEET 2 for more info on Ethics 101*

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

### **How to reflect on ethical competencies for the purpose of your CPD reflective plan (see circular 2021/02)**

In terms of circular 2021/02, all members are required to include in their annual reflective plan, ongoing reflection on their ethical competence.

The reflection should happen in three stages, summarised as **PAR**:

#### **Planning, Action, Reflecting**

- Planning entails the identification of your own developmental needs. This can be done by asking yourself a series of questions listed below. Reflecting on your daily activities in the context of ethics, can best be achieved by using a series of questions. By asking yourself questions, you are prompted to consider all the ethical elements that is applicable to the daily activities of a professional accountants<sup>2</sup>.
- Action by undertaking appropriate CPD activities to meet the developmental need(s) you have identified and applying what you have learnt; and
- Reflecting by measuring the impact of CPD on your day to day activities and identifying any further developmental needs.

#### **Frequency of reflection**

Ethics is the cornerstone of our profession and the practice of considering ethical implications of all our actions should be second nature. Reflecting on ethics should not happen at specified intervals but rather be a continuous practice that becomes a way of life for all professional accountants. All members of SAICA should consciously create opportunities for reflection. Reflection may highlight that further learning and development activities are required – these should also be recorded on your annual reflective plan

#### **Members of SAICA<sup>3</sup> as ethical leaders**

As a member of SAICA, you are regarded as a leader in your industry. In the CA2025 competency framework, SAICA members are described as:

“Responsible leaders who behave ethically and create sustainable value for a wide range of stakeholders within an organisation”.

Ethical leaders do not only act ethically, but also actively promote and stimulate ethical behaviour in others. As leaders, we have a responsibility to enable others to be ethical by creating appropriate structures, policies and opportunities for ethics development.

#### **Opportunities for ethical reflection:**

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<sup>2</sup> Professional Accountant: as defined in the Code.

<sup>3</sup> SAICA member include: chartered accountants - CA(SA).

- Staff meetings, board meetings, committee meetings and client meetings
- Training opportunities created by taking a newspaper article that you read the morning and discussing it with your staff in your daily catch up meeting.
- When you are faced with an ethical dilemma, reflect and make a point of sharing it with your staff/fellow member to allow learning opportunity
- Make a conscious decision to share prior experiences with juniors
- Make a conscious decision to coach staff on a daily basis by involving them in difficult decisions
- Discussion of disciplinary pronouncements and findings from the SAICA governance website
- Analysis of case studies
- Attending formal ethics training with a service provider
- Attending internal organisational ethics training such as code of conduct training

### **Reflection considerations**

#### **Disclaimer:**

*Please note that this is not an exhaustive list of reflection questions. This section is purely included to provide guidelines that can be used to start your reflective journey. As you develop the habit of reflecting and reading more on ethics on a continuous basis, you will find that the process will become more natural and habitual and that these and other questions will arise spontaneously.*

#### **Personal Ethics:**

#### **What is personal ethics and why should I reflect on it as part of CPD?**

**Personal Ethics** reflection typically focus on your own values and how your values impact/ influence your current role in your organisation.

#### **Considerations:**

- What are your personal values? I.e. What is important to you?
- Compare your values with your employer values and evaluate whether they align?
- Do you know what your manager / managements values are?
- Reflect on the comparison between your own values and that of your direct manager or management.
- How do you define ethics?
- How would you explain the nature of ethics?
- How does your definition of ethics and your personal values, align with that of the Code?
- Evaluate your personal level of:
  - Ethical awareness (the ability to identify ethical dilemmas)
  - Ethical judgement (the ability to consider various options available)
  - Moral motivation (the willingness to do the right thing regardless of the consequences)
  - Moral action/ courage (the ability to make a difficult decision and follow through – whatever it takes – in the face of pressure and threats).
- Reflect on your current professional role identity to determine if there perhaps a misalignment between your personal values and that of the role that you are currently in:
  - What is your role in the organisation?
  - What is your role identity<sup>4</sup>?

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<sup>4</sup> *Role identity explained and relevance in the context of reflection:*

Professional accountants all enter a specific “role” in our job. The role that you most associate with, will drive your decision making process. In the Code, 3 typical roles can be identified that all CA’s fulfil on a daily basis namely: serving the public interest; serving your employer; serving the client/ customer/ user of your services/end product.

- Which of the three typical CA roles (as identified in the Code) do you most associate with and is this aligned to the strategic objective of the organisation?
  - Do you most associate with the role of serving your employer? Being loyal to employer and protecting the employer's interest?
  - Do you most associate with the role of the protector of the public's interest?
  - Do you most associate with the role of serving the client/ customer's interests?

### ***Business Ethics:***

#### ***What is business ethics and why should I reflect on it as part of CPD?***

**Business Ethics** reflection would typically focus on what constitutes ethical conduct in business transactions and business structuring/ model decisions.

### ***Considerations:***

- In terms of the ethical culture of your organisation:
  - What is the ethical culture in your organisation?
  - Have you read about ethical culture?
  - Have you considered ethical culture training/ considerations for your organisation/division?
  - Do you perhaps need to study this topic in order to assess the relevancy thereof for your organisation/ division?
- Do you look after your employees' wellness and how do you respond to risks to employees' wellness?
- Does your organisation have a Code of Conduct?
- Are your disciplinary processes fair?
- What do you consider your responsibilities to be as an ethical and effective leader in your organisation?
- What do you consider your responsibilities to be regarding the ethical behaviour of others within your organisation?
- What is your advocacy role in terms of ethical behaviour of your followers?
- What more can be done to empower staff to act ethically?
- Should you perhaps create more opportunities for ethical experience sharing?
- How does your company obtain their tenders<sup>5</sup>?
- Are the service providers that the organisation is contracting with conducive to sustainable business?
- Is the organisation using raw material sourced from responsible green sources?
- Reflect on your business policies around environment, external stakeholders indirectly impacted by your business expansions etc.
- What considerations do you give to the sustainable business when making strategic business decisions?

### ***Professional Ethics:***

#### ***What is Professional Ethics and why should I reflect on it as part of CPD?***

**Professional Ethics** reflection focus on your role as a professional, your responsibilities and requirements under the Code specifically.

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<sup>5</sup> Tenderpreneurship is a typical business ethics topic.

### ***Considerations:***

- Are you aware that the Code states that a “distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in the public interest”?
  - How does this impact the role you play in the profession?
  - What does this mean in the context of your current role?
  - What is your responsibility to act in the public interest?
- If you are a member in business – what does “serving the public interest” mean to you?
- How do you define public interest?
- How would you explain the advantages and disadvantages of rules-based and principles-based approaches to ethics?
- Have you read through the entire Code within the last 12 months?
- Are you aware of the most recent changes to the Code and how it impacts you and your organisation?
- Are you aware that there is a specific section in the Code that apply to:
  - Professional Accountants in Business
  - Professional Accountants in Practice
- Do you regularly apply the Code when making business decisions?
- Do you assess threats and apply safeguards and is this documented?
- What does it mean to be a professional?
- What is the difference between a professionalism vs commercialism mindset?
  - How does commercialism impact my responsibility to act in the public interest?
- Do you apply a questioning mindset critically to assess all relevant data?
- What is the role of ethics within the profession and in relation to the concept of social responsibility?
- What is the role of ethics in relation to business and good governance?
- Consider the interrelationship of ethics and law, including the relationship between laws, regulations and the public interest.

### **What should I document around my reflection as evidence of my compliance?**

#### ***Planning phase documentation***

Evidence of considerations similar to the above listed questions are recommended.

#### ***Action phase documentation***

Evidence of all training and developmental activities you undertook during the year. This can be through various methods e.g. reading articles and books, attending training events (including online training webinars), watching YouTube resources on a topic, informal discussions amongst peers, staff meeting ethics discussions etc. Similar to an athlete who continuously exercise his muscles, **Ethics should be developed continuously**. This is not an annual or once-off event but rather a continuous series of developmental events to increase your awareness.

#### ***Reflecting phase documentation***

After completing developmental activities during the action phase, consider and reflect on the actions taken. Reflect on your ethics competence based on guidelines provided for the planning phase. Evaluate and determine if further actions are required.

**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*