

2. Fundamental Principles

In this KLip, we will cover the 5th & final fundamental principle:

Professional Behaviour

Followed by an example

Professional Behaviour – refers to professional accountants ***complying with relevant laws and regulations*** and **not** act in a way that might ***discredit*** the profession.

A professional accountant shall **not knowingly** engage in any business activity that impairs or might **impair the integrity, objectivity or good reputation of the profession** and as a result would be incompatible with the fundamental principles.

A professional accountant shall also be mindful not to bring the profession into disrepute, when undertaking marketing or promotional activities. They **shall be honest and truthful** and shall not make:

- (a) Exaggerated claims for the services offered by, or the qualifications or experience of the accountant;
or
- (b) Irrelevant references or unsubstantiated comparisons to the work of others.

Example 5: Ms. Catherine, Accounts Manager for a manufacturing company and Mr. Cavin, the financial controller, both report to finance director. Cavin and finance director are good friends.

During work, Ms. Catherine overheard Cavin saying that a bribe was paid to an overseas company to secure a sales contract. He also said, management intends to use the costing information for restructuring the company. As such, Cavin has been pushing her to complete the costing exercise with a very short deadline and limited resources. Ms. Catherine feels uneasy about the situation.

Due to intimidation from the finance controller, Ms. Catherine is unable to elevate the matter of bribery and limitation of scope in preparing costing to the finance director. She is also unaware on how to handle the matter of bribery and fears that she might breach the principle code of ethics for professional behavior and professional competence and due care.

With this, we have covered all the 5 fundamental principles.

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