

Personal behaviour of relevance to professional life

CCAB guidance on the boundaries of professional and personal life

Tuesday 2nd March 2021

Purpose of guidance

This guidance focuses on the boundaries of professional and private behaviour for members of CCAB accountancy bodies. There are core principles that all bodies would apply when considering if a member of their body had acted in a manner likely to discredit the profession in their non-professional life.

This guidance has been issued by the CCAB Ethics Group which represents all CCAB member bodies.

Each accountancy body may provide more detailed guidance on the specific facts and circumstances their organisation would consider. However, this document summarises the common high-level principles that would be relevant.

Ethical requirements

The International Ethics Standards Board for Accountants (IESBA) Code of Ethics (upon which the CCAB bodies' respective Codes of Ethics are based) includes the following provisions:

'R115.1 A professional accountant shall comply with the principle of professional behaviour, which requires an accountant to comply with relevant laws and regulations and avoid any conduct that the accountant knows or should know might discredit the profession. A professional accountant shall not knowingly engage in any business, occupation or 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.

115.1 A1 Conduct that might discredit the profession includes conduct that a reasonable and informed third party would be likely to conclude adversely affects the good reputation of the profession.'

ICAEW's Code of Ethics, for example, summarises this as:

'R1.2 Professional accountants shall follow the guidance contained in the fundamental principles and specific requirements of the Code in all of their professional and business activities whether carried out with or without reward and in other circumstances where to fail to do so would bring discredit to the profession.'

It is also of note that, with effect from 1 January 2022, following the IESBA project 'Promoting the Role and Mindset of Professional Accountants', paragraph R115.1 above of the IESBA code will be amended to highlight the professional accountant's responsibility to behave in a manner consistent with the profession's responsibility to act in the public interest:

"**R115.1** A professional accountant shall comply with the principle of professional behaviour, which requires an accountant to:

- (a) Comply with relevant laws and regulations;
- (b) Behave in a manner consistent with the profession's responsibility to act in the public interest in all professional and business relationships; and
- (c) Avoid any conduct that the accountant knows or should know might discredit the profession.

A professional accountant shall not knowingly engage in any business, occupation or 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."

Common CCAB principles

The CCAB bodies consider that the following factors are relevant in assessing whether a member's conduct in their personal life could breach their respective professional body's Code of Ethics, Bye-laws and regulations. These principles do not seek to set good practice or give a view on whether there would be a disciplinary case to answer by the member. Best practice or disciplinary guidance is provided by each respective professional body.

1. Is the behaviour illegal?

Under the IESBA Code of Ethics adopted by all CCAB bodies, members are required to comply with all relevant laws and regulations. A conviction for a criminal offence could therefore indicate that this requirement has been breached.

2. Does the conduct bear on the member's qualities as a professional accountant, for example in relation to their own financial affairs?

Members of CCAB bodies are held to a higher standard than a layperson in relation to the core attributes of a professional accountant. For example, if there were serious errors in a member's personal tax returns, then this could risk bringing discredit on the profession of accountancy.

3. Is the member using their professional qualification as an identifier?

If a member behaves badly in their personal life and identifies themselves as a professionally qualified accountant, then their conduct may be of interest to their professional body. For example, sending communications containing seriously offensive or threatening language causing distress, in which the member identifies themselves as a CCAB body member.

4. Is the misbehaviour serious, and even though the member is not identifying their professional qualification, the member's behaviour could be viewed as conduct that might discredit the profession?

The context of the member's behaviour which could be viewed as bringing discredit to the profession may be that:

- a) the circumstances are work or workplace-related in some way; or
- b) the circumstances are entirely in the member's private life, but the behaviour is so poor that it could be discreditable.

Such examples could include:

- a member using seriously offensive or threatening language causing distress, or threatening behaviour, towards a client or a member of the public outside of the work environment; or
- a member posting discriminatory (e.g. racist, sexist, homophobic or ableist) comments on social media that are seriously offensive or threatening to the extent that it calls into question the member's professional judgement and fitness to be a professional.



77 Mansell Street, London E1 8AN
+44 (0)20 7543 5600

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