

Professional accountants' responsibility to act in the public interest during Covid-19

By [Jeanne Viljoen](#), issued by [SAICA](#)

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5 March 2020 was a momentous day in that it marked the day where the first Covid-19 case was reported in South Africa. The year that followed was arguably one of the most difficult in our lifetime, with South Africa and the rest of the world facing numerous challenges across all facets of life, writes Jeanne Viljoen, Saica project director for ethics and practice.

Covid-19 might be synonymous with a respiratory disease but for the financial world, Covid-19 is marked by unprecedented financial challenges including disruption in the usual control environment, disruption in and even lost production, financial distress and loss of personnel. These challenges result in elevated risk; be it business risk, audit risk or even risk of ethical compliance.

A distinguishing mark of the accounting profession is its acceptance of the responsibility to act in the public interest; a responsibility that is heightened during these challenging times. Being honest, competent and objective are virtues a professional accountant is expected to demonstrate. Saica has prescribed the Code of Professional Conduct (the Saica Code) to guide its members in carrying out their responsibility to act in the public interest in a professional manner.



Jeanne Viljoen

The Saica Code is founded on a set of fundamental principles, reflecting the profession's recognition of its public interest responsibility. These principles establish the standard of behaviour expected of a professional accountant. The fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior and are expanded on below:

- Integrity, being straightforward and honest in all professional and business relationships.
- Objectivity, not to compromise professional or business judgements because of bias, conflict, or undue influences.
- Professional competence and due care, by maintaining professional knowledge and skill at the level to ensure professional service, based on technical and professional standards and relevant legislation.
- Confidentiality, required because of professional and business relationships; and
- Professional behavior, by complying with laws and regulations and by avoiding any conduct that might discredit the profession.

Not only does the Saica Code establish the five fundamental principles but it also establishes a conceptual framework to identify, evaluate and address threats to ensure compliance with the fundamental principles. Depending on the role and professional activities of a professional accountant, the global pandemic could have created new threats to compliance with the fundamental principles or impact on previous threats identified. Professional accountants must thus be flexible, alert, sceptical and apply professional judgement to ensure continued compliance with the fundamental principles is achieved.

The Saica Code is aligned to the International Ethics Standards Board for Accountants' (IESBA) [International Code of Ethics for Professional Accountants \(including International Independence Standards\)](#) (the IESBA Code). To support professional accountants to act in the public interest and navigate the challenging playing field Covid-19 has created, the IESBA and other international professional bodies have issued support guidance papers to assist. This includes the [IESBA Staff Questions and Answers - Covid-19: Ethics and Independence Considerations](#), issued at the start of the global pandemic aimed at guiding professional accountants navigate ethical dilemmas that they encounter during the pandemic.

No doubt, Covid-19 necessitated rapid expansion of government's financial interventions. These actions involved important

choices in pursuit of policies combining public health, economic and social goals. Key guidance addressing ethical and auditing implications arising from government-backed Covid-19 business support schemes was issued jointly by the IESBA, the Financial Reporting Council (FRC) and the International Federation of Accountants (IFAC) in the paper titled [*Ethical and auditing implications arising from government backed Covid-19 business support schemes*](#).

Covid-19 heightened the risk of fraud and illicit activities, creating opportunities for money laundering, terrorist financing and cybercrimes. In response to this, the Independent Regulatory Board for Auditors (the IRBA), IESBA and the International Auditing and Assurance Standards Board (the IAASB) issued a staff alert titled [*Navigating the heightened risks of fraud and other illicit activities during the Covid-19 environment*](#), which highlights the heightened risk of fraud arising from the disruptive and uncertain Covid-19 environment. The staff of Chartered Professional Accountants of Canada (CPA Canada) also partnered with the IESBA in jointly releasing a staff alert titled [*Covid-19 and evolving risks for money laundering, terrorist financing and cybercrime*](#) aimed at creating awareness among professional accountants of the changing risks beyond the obvious health and economic challenges of Covid-19.

Other guidance that is available includes [*Applying the Code's Conceptual Framework in Covid-19 circumstances: Scenarios in taxation and valuation services*](#) and [*Using specialists in the Covid-19 environment*](#).

What the next 12 months hold is unknown, with uncertainty around if and/or when a 'third wave' will hit and the impact that the vaccine will have. The only certainty is that the challenging times will continue in 2021. Professional accountants whether serving as a member of a board, member of an audit committee, organisational leader, preparer of financial information or financial statements or an auditor play a critical role in the financial reporting ecosystem. It is a professional accountant's responsibility to play their part in ensuring that fair and reliable financial reporting and disclosures are issued to the public.

With this, it is important to remember that as professional accountants we have a responsibility to act in the public interest, with the Saica Code as the ultimate guide in helping us to navigate these uncertain times.

About Saica

The South African Institute of Chartered Accountants (Saica), South Africa's pre-eminent accountancy body, is widely recognised as one of the world's leading accounting institutes. The Institute provides a wide range of support services to more than 50 000 members and associates who are chartered accountants (CAs[SA]), as well as associate general accountants (AGAs[SA]) and accounting technicians (ATs[SA]), who hold positions as CEOs, MDs, board directors, business owners, chief financial officers, auditors and leaders in every sphere of commerce and industry, and who play a significant role in the nation's highly dynamic business sector and economic development.

Chartered accountants are highly valued for their versatile skill set and creative lateral thinking, that's why all of the top 100 global brands employ chartered accountants.

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