

**CHARTERED INSTITUTE OF COST AND
MANAGEMENT ACCOUNTANTS (NIGERIA)**



CICMA CODE of ETHICS

For

Professional accountants

For enquiries on this Professional Code of Ethics, members should address all their correspondence to the Chief/Registrar of the institute.

CODE OF ETHICS

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CODE OF ETHICS FOR THE MEMBERS OF THE CHARTERED INSTITUTE OF COST AND MANAGEMENT ACCOUNTANTS (NIGERIA)

PREAMBLE:

This Professional Code of Ethics is for the Associate (ACMA) and Fellow (FCMA) members of the Chartered Institute of Cost and Management Accountants (CICMA), Nigeria.

This Professional Code of Ethics cannot and does not prescribe behaviour for every eventuality.

Therefore members are required to observe the code in spirit as well as in letter. Members are urged to read the code carefully and commit themselves to its precepts. This code must be read with the institute's guide to membership.

CICMA has an overriding commitment to fulfill its obligation as a Chartered Institute and to protect the public interest.

In doing so, CICMA expects its members to uphold the highest standards of ethical behaviour. These contribute to promoting the integrity of the CICMA qualification and supporting CICMA's purpose.

The code provides specific guidance to members in business and in practice. Rather than setting out rules, the code presents a framework of principles, which members need to observe in all aspects of their professional behaviour.

Members can therefore be assured that CICMA ethical framework is strongly aligned with global standards across the profession.

Members who may have any doubts as to their proper course of action in a particular case may apply to the Chief Executive/Registrar of the institute at the Head Office, Kaduna, Nigeria for advise.

PROFESSIONAL RESPONSIBILITY

A member of the Institute has responsibilities to his employer, or his client and to the general public.

The Institute requires its members, as of necessity, to recognize these responsibilities in the conduct of their business, and to adhere to the following codes.

CHAPTER ONE

PROFESSIONAL CODE OF ETHICS

(1) INTEGRITY

A member shall at all times conduct himself/herself as a person of integrity, honesty and probity. He or she shall observe the principles of this code in such a way that his reputation and that of the Institute and the accounting profession shall be enhanced. The member must maintain a professional attitude to the performance of his responsibilities. A member should be straightforward and honest in all professional and business relationship.

(2) HONESTY

A member shall at all time act honestly and in such manner that employers or clients are not caused to be misled. Nor shall he or she in the course of discharging his or her professional duties knowingly or reckless disseminate false or misleading information to third parties.

(3) PROFESSIONAL COMPETENCE

It is expected that in his or her practice as an Accountant or Auditor, a member shall seek at all times to ensure that he or she attains the appropriate levels of competence necessary for the efficient conduct of tasks as are entrusted to him or her by his or her employers or clients.

Every member should maintain a level of technical competence, which will enable him or her to carry out his or her work as a high level of professionalism. In particular, he or she should carry out such work with a proper regard for the technical and professional standard expected of him or her and he or she should not undertake professional work, which he or she is not himself/herself competent to perform unless he obtains such advice and assistance as will enable him competently to carry out his task.

(4) **INDEPENDENCE AND OBJECTIVITY**

A member should exercise his professional responsibility with independence and objectivity. He or she must be in a position to give an honest and unbiased opinion. Under no circumstances must a member knowingly allow his name to be associated with a financial statement that is misleading. Pursuant to the above and, in order to exercise his independence, an Accountant in public practice must not:

- a) Possess any direct or indirect beneficial interest in the shareholding of a company for which he is acting as an Auditor; this restriction is extended to the auditor's wife and his minor children, except where the law permits;
- b) Accept fees, the amount of which is based on the success of an assignment, except where this cannot be avoided because of legislation, of documentation or agreement to which he or she is not a party;
- c) Accept fees, the amount of which is based on the turnover of the company for which he or she is acting as auditor;
- d) Act for any two/opposing parties in respect of a negotiation, claims or a settlement unless the two parties agree;
- e) Carry out the work as an auditor concurrently with carrying out work for the client in an executive capacity;
- f) Where the terms of service agreement of a member with his or employers are in conflict with this code of conduct, the provision of the Institute's professional code of ethics shall prevail.

5. **CONFIDENTIALITY OF INFORMATION**

- a) Unless required by law a member shall not disclose or permit disclosure to any other person, firm or company, any confidential information concerning his or her employers or his or her client business without the consent of such employers or the client.
- b) Unless required by law, a member shall not use, to the pursuit of his personal interest, any confidential information concerning his or her employer or his or her client.
- c) A professional accountant should respect the confidentiality of information acquired as a result of professional and business relationships and should not disclose any such information to third parties without proper and specific authority unless there is a legal or professional right or duty to disclose. Confidential information acquired as a result of professional and business relationships should not be used for the personal advantage of the professional accountant or third parties, even if he is no more in the service of the employer or client.

6. **PROFESSIONAL BEHAVIOUR**

A member should comply with the relevant laws and regulations and should avoid any action that may discredit the Accounting Profession.

7. **MAINTENANCE OF ACCEPTED ETHICAL CONDUCT**

Every member should refrain from any actions which might bring the Institute into disrepute or which unfortunately prejudices the interest of fellow members. In particular:

- a) Members must accept responsibility for all their actions whether as employers or on behalf of clients in a professional capacity.

- b) Subject to the provisions of the country's laws and general public interest, members should, at all times, place the interest of the employers or clients above their own.
- c) Members engaged in public practice should, at times, bear in mind the legitimate interest of fellow members by refraining from:-
 - i) Soliciting for client;
 - ii) Making an offer of services other than accounting work of the client to the member;
 - iii) Accepting an audit hitherto carried out by any other member without first ascertaining in writing whether there existed any professional reasons why they should not accept the appointment;
 - iv) Quoting a fee for an assignment before being appointed and without carrying out an initial survey;
 - v) Giving commission, fee or reward directly or indirectly to a third party not being either his employee or another public accountant in return for the introduction of a client;
 - vi) Putting forward, as his partners, members who do not, in fact, practice in association with him.

8. **ADVERTISEMENT**

A member shall not advertise his professional accounting services or skills. A member may place advertisement when:-

A) Seeking staff, a partnership or salaried employment; or

b) Acting on behalf of a client.

However announcement in the Institute's journal is permitted and for announcement in the Institute journal the followings are permit for announcements:-

a) The opening of a new office changes in the membership of a firm and changes in the address of a firm;

b) Members' appointments.

9. **DIRECTORIES**

A member may be listed in any directory provided that neither the directory itself nor the member's entry therein is capable of their construed as an advertisement of his professional skills.

Entries in such directory should be limited to the name; address and professional description of the member together with such other information as is necessary to enable a user of the directory make contact with him.

10. **LITERATURE PRODUCED BY MEMBER FIRM**

Professional literature produced by members must accord with professional good taste. Literature describing services rendered and technical literature may be distributed to clients or to other practicing accountants only or on request by non-clients.

11. **DESCRIPTION AND DESIGNATORY LETTERS**

a) A member may use his designatory letters at all time and describe himself personally as a "Chartered Management Accountant". In this connection the designatory letters of the Institute **FCMA** for Fellow and **ACMA** for Associate must be used. Member admitted to the Institute on the basis of their membership of recognized overseas professional accounting bodies are allowed to use the designatory letters of such bodies in addition to those of the Institute.

- b) An accountancy practice in which all the partners are members of the appropriate category of the Institute may be described as “Chartered Management Accountant”. Where a practice is so described, no additional words of any description may be used.
- c) A member who holds a national or service honour (such as O.O.N,C.F.R.,M.O.N. etc) or relevant academic degree (e.g. B.Sc, M.B.A., M.A., M.N.I., Ph.D.,Dip., etc) is entitled to use the appropriate designatory letters after his name.
Reference to such honours or awards would however be inappropriate in signing reports or other expression of professional opinion.

12. **SIGNBOARDS AND NAMEPLATES**

Nameplates and signboards should only contain the name of the firm followed by the words “Chartered Management Accountant” as the case may be. Members should avoid large and unusual nameplates that may appear to be tantamount to undesirable advertisement.

13. **CORPORATE PRACTISE**

There is no restriction on Corporate Practise as an unlimited liability company other than in relation to any aspect of professional work the corporate practice of which is prohibited by the law. All shares in such practise must be beneficially held by Fellows or Associate members of the Institute. A member in corporate practise is subject to the same ethical and other requirements as a member practising as an individual.

CHAPTER TWO

SCHEDULE OF OFFENCE PUNISHABLE UNDER THE CODE OF ETHICS

A member shall commit an offence if: -

1. Any member for the purpose of procuring the registration of any name, qualification or other matter;
 - a) Makes a statement, which he believes or was proved to be false in a material particular.
 - b) Without exercising reasonable cautions, makes a statement, which is false in a material particular;

2. A member shall commit offence under this code if;
 - a) Declared bankrupt
 - b) Adjudged insane
 - c) Committed to imprisonment as a result of criminal offence

- d) He asks for or consents or agrees to receive any gratification or bribe in monetary or in kind personally or through his relations or kind parties from employers or client.
3. A member shall commit an offence under this code if, a criminal offence having been committed by another member or a body corporate and proved to have been committed with the connivance or adequate knowledge of a member or is proved to be attributable to any neglect on the part of such member.

CHAPTER THREE

ENFORCEMENT OF THE CODE:

1. **ROLE OF INDIVIDUAL MEMBER**

It is the duty of all members to assist and co-operate with the course of enforcing this code; and the Institute shall acknowledge any such support in the circumstance.

2 **ROLE OF EMPLOYERS OR CLIENTS**

All employers or client are required to report any professional misconduct of members to the Chief Executive/Registrar of the Institute who shall forward such complaints to the Institute investigation panel for deliberation.

3. All report of professional misconduct shall be handled by the Institute's Investigating Panel; and thereafter, submit its reports and recommendations to the Council through the Institute Disciplinary Tribunal.

4. **PROCEDURES FOR HANDLING COMPLAINTS:**

The Institute's Disciplinary Tribunal having properly examined an alleged breach of this code by a member shall recommend an appropriate disciplinary action for ratification of the Council.

- 5 The Council shall be empowered to modify or ratify in part or in full the recommendation of the Institute's Disciplinary Tribunal. The decision of the Council is final, and shall be enforceable on all members of the Institute.

NOTE

Any reference to **he** or **him** or **his** throughout this Professional Code of Ethics is applicable to **she** or **her**.