

# It's a matter of trust

By [Bongani Coka](#)

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While a good reputation takes time to build, but can be destroyed overnight. This is particularly true of the accountancy and audit profession, which lives off its credibility. Distrust has recently become a major issue, especially with the recent public backlash experienced by politically implicated persons in the accounting profession.



Bongani Coka, CE of Saipa. Photo: The Legacy Project

Accountants need to keep in mind that establishing trust requires more than just honesty: it requires the ability to practice sound moral values. Major drivers of trust are openness, competence, benevolence and integrity.

## Openness

The quality of 'openness' has a distinct ethical undertone as the disclosure of information can assist those who are affected by the information to either advance or protect their interests.

Failure to disclose such information effectively bars those affected by it from enhancing or protecting their interests. Consequently, a lack of openness on the side of a professional accountant will be perceived as unfair or unethical by their clients and other key stakeholders, which in turn will undermine public perceptions of the trustworthiness of the professionals.

## Competence

Due to the recent spate of scandals, the South African public now question accountants' ability to act in a manner consistent with the code of ethics for accountants and their competency to provide a quality service with the required skill.

A professional accountant may not mislead his employer or client as to his level of expertise or experience. Where appropriate, clients or employers must be notified of any limitations that the professional accountant may have.

In addition, Section 130 of the Code of Ethics for Professional Accountants requires a professional accountant to maintain professional knowledge and skill at a level required to ensure that a client or employer receives a competent professional service based on current developments in practice, legislation and techniques; and act diligently and in accordance with the applicable technical and professional standards.

Professional accountants are expected to employ an inquiring mind to their work founded on the basis of their knowledge of the organisations' financials. Their training in accounting enables them to adopt a pragmatic and objective approach to solving issues. Using their skills and intimate understanding of the organisation and the environment in which it operates, professional accountants in business must ask challenging questions.

They are also the front runners when it comes to upholding the quality of financial reporting and providing the broader public with reliable financial information. Regardless of the level of assurance, the public assume that due diligence was taken into account when the professional accountant compiled the financial statements.

## **Benevolence**

Trust for a professional accountant's client involves having confidence that they will act in their best interest or refrain from taking advantage of them. The possibility that they might break this confidence introduces the element of risk, with a dash of fear and anxiety peppered into the mix.

The greater the perceived risk, the harder it may be for the client to trust their accountant.

Any debacle in the accounting profession raises the question of ethical behaviour and shines the spotlight on the responsibility of the professional accountant to maintain the balance between serving the public interest and that of their client.

Professional Accounting Organisations (PAO) accredited by the International Federation of Accountants (IFAC) must be pro-active in their approach to any matter that may bring their institutes into disrepute as a result of the conduct of their members.

Random checks and balances must be conducted on PAO members to ensure that they remain in good standing and a PAO should encourage the public to lay a complaint for investigation should they experience misconduct or unprofessional behaviour from any PAO member.

## **Integrity**

The link between integrity and ethics is so intimate that the two concepts are often used as synonyms.

In terms of section 110 of the Code of Ethics for Professional Accountants, obligation is imposed on all professional accountants to be straightforward and honest in all professional and business relationships. Integrity also implies fair dealings and truthfulness.

In conclusion, gaining clients and public trust by a professional accountant requires openness, having the competence and consideration of what clients say is important to them, and making sure they provide that to the satisfaction of a client in an

ethical manner.

Trustworthiness is within our sphere of control, and consequently it is something that can be deliberately changed or cultivated.

As a profession we are impacted by trust, let us try to restore it.

## ABOUT THE AUTHOR

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