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Introduction

The strength of the Chartered Accountancy profession rests fundamentally on trust. That trust is not created merely by statutes, regulations, standards or a Code of Ethics. It is earned, sustained and strengthened through the conduct, judgement and professional responsibility of individual Chartered Accountants. The transition from values to rules should therefore not be misunderstood as a dilution of compliance or a departure from established professional requirements. On the contrary, it represents a higher and more mature understanding of compliance—one in which rules are respected not merely because they prescribe a particular course of action, but because they embody values intended to protect the integrity of the profession, the interests of stakeholders and the public interest.

Rules establish the framework.

Professional standards establish the discipline.

Ethical principles establish the direction.

Values determine the character of the professional.

At the core of this framework are certain principles that cannot be negotiated, diluted or compromised: honesty, integrity, objectivity, independence, professional

Values Codified: From Rules to Ethical Judgement in a Changing Profession

competence, due care, confidentiality and professional behaviour. These are not merely words appearing in a Code. They constitute the moral and professional foundation upon which the credibility of the Chartered Accountancy profession is built.

At the same time, the profession operates in a rapidly changing environment. Technology, artificial intelligence, automation, data analytics, digital platforms, new business models and innovative methods of delivering professional services are transforming the way Chartered Accountants work. Ethics must therefore be sufficiently strong to preserve the fundamentals and sufficiently enlightened to accommodate legitimate change. Ethics should protect the core without clipping the wings of the profession.

From Values to Rules

Rules are indispensable to a regulated profession.

The Chartered Accountants Act, Regulations, Code of Ethics, Standards on Auditing, Accounting Standards, professional guidance and other applicable laws establish boundaries within which professional conduct must operate. Compliance with these requirements is not optional. However, professional life cannot always be reduced to a simple question: “Is there a rule prohibiting this?” The more meaningful professional question is: “Is this consistent with the values, responsibilities and public trust attached to my profession?”

The distinction is important.

A purely rule-based approach may identify what is expressly permitted or prohibited. A values-based approach asks whether the proposed course

of action is honest, transparent, responsible, objective, independent and consistent with the public interest.

The objective is not to replace rules with personal morality. Nor should every professional be permitted to interpret ethical requirements according to individual preferences. Rather, rules provide the boundaries and values guide professional judgement within those boundaries.

The original framework rightly emphasises that ethical decision-making requires a combination of law, the Code of Ethics, fundamental principles, professional standards, facts, professional judgement and consideration of the public interest. This is the essence of professional maturity.

Values Codified — Not Values Compromised

The expression “Values Codified” captures an important distinction. When values are codified, they do not cease to be values merely because they find expression in rules, standards and professional guidance. Codification gives institutional recognition to those values and provides professionals with a common framework for applying them.

However, codification should not result in an approach where every conceivable professional situation is attempted to be regulated through increasingly detailed prescriptions. No regulatory framework can anticipate every circumstance.

Business models evolve; Technology changes; Client expectations change; Methods of professional delivery change; Information systems change.

THEME ● THE CHARTERED ACCOUNTANT

Artificial intelligence changes the manner in which knowledge is generated and applied. Therefore, an ethical framework must possess both certainty at its core and flexibility in its application.

There should be no flexibility regarding dishonesty, lack of integrity, deliberate misrepresentation, compromise of independence or abuse of professional position. But there should be adequate space for innovation in the means by which legitimate professional services are delivered. That is the difference between protecting professional values and restricting professional evolution.

The Non-Negotiable Core

There are certain values that must remain non-negotiable irrespective of changing times.

■ Honesty

A professional must be truthful and straightforward in professional relationships and communications. No technological advancement, commercial consideration, client pressure or competitive environment can justify dishonesty.

■ Integrity

Integrity requires the professional to act with moral courage and consistency, including when doing so may not be commercially convenient.

The real test of integrity often arises not when the correct course of action is obvious, but when the professional has an opportunity to benefit from choosing the easier course.

■ Objectivity

Professional judgement must not be compromised by bias, conflict of interest, undue influence or commercial pressure.

■ Independence

Particularly in assurance and certification engagements, independence is not a technical formality. It is fundamental to credibility.

An audit opinion, certification or professional assurance loses its value if the user of that opinion cannot trust the independence of the professional who provides it.

■ Professional Competence and Due Care

Ethics also requires competence. A professional cannot discharge an ethical responsibility merely by being honest. The professional must possess the necessary knowledge, skills and professional competence and must exercise appropriate care and diligence.

■ Confidentiality

Confidential information entrusted to a professional must be protected. Technological convenience cannot override professional responsibility.

■ Professional Behaviour

A Chartered Accountant is expected to conduct himself or herself in a manner that preserves the dignity and reputation of the profession. These principles constitute the ethical foundation that cannot be compromised by changing circumstances.

Ethics Is Not Ante' Innovation

One of the challenges before modern professional regulation is to distinguish between ethical safeguards and outdated methods of professional delivery. The fact that a particular method was not contemplated when a rule was framed does not necessarily make the method unethical. Equally, the fact that technology makes something technically possible does not necessarily make it professionally appropriate. The appropriate test should therefore be: *Does the innovation preserve the underlying professional value?*

If it does, the profession should have the confidence to embrace it, subject to appropriate safeguards. A professional



should not be prevented from adopting a more efficient, accurate, transparent or technologically advanced method merely because the traditional method is more familiar.

Professional ethics should act as a compass, not a cage. The purpose of ethical regulation is to prevent conduct that undermines trust—not to prevent legitimate progress.

Ethics Must Walk With Changing Times

Ethics are not static. The fundamental values of the profession may remain constant, but the circumstances in which those values must be applied continuously evolve. The ethical challenges faced by a Chartered Accountant today are different in form from those faced by the profession decades ago.

Artificial intelligence, cloud computing, remote audits, automated accounting systems, data analytics, digital signatures, virtual professional teams and technology-enabled advisory services have created opportunities that were previously unimaginable.

They have also created new ethical questions. The appropriate response should not be to reject innovation merely because it creates new questions.

Instead, the profession should ask:

- Does the innovation preserve confidentiality?
- Does it protect independence and objectivity?
- Is the information accurate and reliable?
- Is professional judgement being exercised?
- Are appropriate safeguards in place?
- Can the professional explain and defend the conclusion?
- Does the approach protect the public interest?

Where the answer is yes, innovation should ordinarily be encouraged rather than restrained merely because it departs from traditional methods.

From “Can I?” to “Should I?”

One of the most powerful disciplines of ethical decision-making is the transition from:

“Can I do this?”

to:

“Should I do this?”

The first question is essentially compliance orientated. The second requires professional judgement.

An action may not be expressly prohibited and yet may create a misleading impression, compromise professional credibility or adversely affect stakeholders. Conversely, an action may be innovative or unconventional and yet be entirely consistent with professional values and responsibilities. The distinction is therefore not between traditional and modern.

It is between ethical and unethical.

The original framework appropriately identifies this distinction and emphasises that the absence of an express prohibition does not, by itself, establish that an action is ethically appropriate.

This principle should become an integral part of professional thinking.

Rules Set the Boundary; Values Guide the Journey

A mature profession should not aspire to create a rule for every possible situation.

Such an approach would inevitably produce excessive prescription and could unintentionally discourage professional judgement. Rules should establish the outer boundary of acceptable conduct. Values should guide the professional within that boundary. This requires Chartered Accountants to develop the ability to ask:

1. What are the applicable legal and regulatory requirements?
2. What does the Code of Ethics require?
3. What fundamental ethical principles are relevant?
4. What are the facts and circumstances?
5. What threats to integrity, objectivity or independence arise?
6. What safeguards are available?
7. Who may be affected by the decision?
8. What are the short-term and long-term consequences?
9. Can I transparently explain and defend my decision?
10. Would I be comfortable if the decision were examined by the client, regulator, profession and public?

This approach converts ethics from a compliance exercise into a professional decision-making discipline.

Ethical Decision-Making as a Professional Process

Ethical judgement can be approached through six stages:

■ Recognise

Identify whether an ethical issue exists and whether professional principles may be affected.

■ Gather

Understand the complete facts and circumstances. Ethical conclusions should not be based on assumptions or incomplete information.

■ Analyse

Identify the applicable provisions of law, regulations, professional standards and the Code of Ethics.

■ Evaluate

Assess threats, consequences, available safeguards and alternative courses of action.

■ Decide

Select the course of action that is consistent with professional requirements, fundamental principles and the public interest.



■ Act and Reflect

Implement the decision, document the reasoning where appropriate, and reflect on what can be learned for future situations.

This framework is particularly relevant because difficult ethical questions frequently arise where several legitimate interests compete or where there is no single provision that provides an immediate answer.

Technology and Artificial Intelligence: Ethics Must Lead Innovation

Artificial Intelligence is perhaps the clearest example of why professional ethics must evolve without compromising its foundations. AI can assist in research, analysis, drafting, data processing, risk identification, documentation and numerous other professional activities. But technology can assist professional judgement; it cannot replace professional responsibility. A Chartered Accountant using AI must continue to exercise professional scepticism and judgement.

The relevant questions include:

- Is the information supplied to the system appropriate?
- Is confidential information adequately protected?
- Is the output accurate and complete?
- Has the output been independently reviewed?
- Could the system introduce bias?
- Is the underlying source reliable?
- Can the professional explain the conclusion?
- Who assumes responsibility for the final professional opinion?

The answer should not be to prohibit technology. The answer should be to ensure that technology operates within an ethical framework and under responsible professional oversight.

Ethics and the Public Interest

The responsibility of a Chartered Accountant extends beyond the immediate client. Financial statements, audit reports, certificates, tax opinions, valuation reports and other professional communications may be relied upon by investors, lenders, regulators, employees, shareholders, creditors and the wider public. Therefore, the professional cannot view every decision exclusively through the lens of the immediate commercial interest of the client. The public interest is an essential dimension of professional ethics. An action that provides a short-term advantage to a client may nevertheless create misleading information or expose other stakeholders to significant risk.

Ethical professional judgement requires the Chartered Accountant to look beyond:

“What does the client want?”

and consider:

“What is professionally responsible and appropriate in the circumstances?”

This broader responsibility is intrinsic to a profession whose work is relied upon by stakeholders who may never directly meet or interact with the professional.



Do Not Clip the Wings of Professionals

Regulation is necessary. But regulation must also recognise the nature of a profession. A profession is not merely an occupation governed by a checklist. A professional is entrusted with knowledge, judgement and responsibility. If every emerging practice is viewed with suspicion merely because it is new, regulation can unintentionally discourage innovation.

If every professional judgement is replaced by prescriptive rules, the profession may gradually lose the very quality that distinguishes a professional from a functionary—the capacity to exercise informed judgement responsibly.

The objective should therefore be strong principles, clear boundaries, responsible judgement and freedom to innovate within the ethical framework. The wings of professionals should not be clipped by rudimentary notions of professional conduct. At the same time, freedom cannot become an excuse for compromising fundamental values. Innovation in means must never become dilution in values.

Ethical Leadership and Institutional Culture

Ethics is ultimately shaped not only by rules but also by institutional culture. An ethical organisation should encourage:

- open communication;
- consultation on difficult matters;
- willingness to question inappropriate practices;
- respect for professional judgement;
- timely escalation of concerns;
- accountability for decisions;
- continuous professional education; and
- transparency in decision-making.

The original article appropriately recognises that ethical leadership is demonstrated through everyday conduct and not merely through policies and statements. For professional leaders, this responsibility is even greater. The culture established by senior professionals influences how younger professionals understand the meaning of ethics. If leadership rewards only commercial outcomes, ethics becomes secondary. If leadership rewards integrity, professional competence, responsible judgement and long-term credibility, ethics becomes part of the institutional DNA.

From Compliance to Conviction

There are different levels of ethical maturity. At the first level, a professional asks: *"What does the rule say?"*

At the next level:

"Why does the rule exist?"

At the highest level:

"What professional value is the rule intended to protect, and how should I uphold that value in these circumstances?"

This is the transition from compliance to conviction. It does not diminish the importance of rules. It gives them meaning. A mature professional does not wait for a rule to prohibit every inappropriate action. The professional understands the values underlying the regulatory framework and applies those values when circumstances are uncertain. This is precisely why the movement from rules to values represents a progression in professional maturity rather than a retreat from regulation.

The Future of Professional Ethics

The future will require a regulatory philosophy that achieves a delicate balance. On one side lies the need for certainty, discipline, accountability and protection of public interest. On the other hand, lies the need for innovation, professional autonomy,

technology adoption and freedom to develop better methods of delivering professional services. Neither extreme is desirable. Absolute prescription can create rigidity. Absolute discretion can create inconsistency.

The appropriate path is principle-based professional judgement supported by clear and enforceable ethical standards. The profession should preserve its non-negotiable ethical core while remaining open to new ways of working.

Thus, the ethical framework of tomorrow should be:

- Firm in principles.
- Flexible in application.
- Open to innovation.
- Responsible in judgement.
- Uncompromising in integrity.

Conclusion: Values Are the Future of Rules

The transition from rules to values is not a movement away from regulation. It is a movement towards better regulation and better professional judgement. Rules will continue to define obligations and establish boundaries. But rules alone cannot anticipate every technological development, every business model or every professional dilemma. Values provide the continuity that rules cannot always provide.

When circumstances change, honesty remains honesty.

Integrity remains integrity.

Independence remains independence.

Objectivity remains objectivity.

The methods may change, the technology may change the professional environment may change, but the fundamental character of the profession must not change.

That is why the profession needs values codified, not merely more rules.



Ethics must walk with changing times. It must recognise innovation, encourage improvement in the means of delivering professional services and permit the profession to spread its wings. But those wings must always be anchored to an ethical foundation.

We should not regulate innovation out of existence.

We should not permit innovation to erode integrity.

The objective is to create a profession that is both principled and progressive.

Ultimately:

Rules set the boundaries.

Values guide our choices.

Judgement connects the two.

Integrity gives us the courage to do what is right.

And when the profession combines codified values with responsible professional judgement, ethics ceases to be merely a system of restrictions and becomes what it ought to be a force for professional excellence, public trust and a better tomorrow.

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