



TFAC

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The 3rd

ASEAN

Conference 2022

CPA



**Empowering and Enhancing
Sustainability of ASEAN Business**

7th October 2022



Nurturing the Ethical Value in a Diverse and Changing Work Environment

Introduction - TFAC



Thailand Federation of Accounting Professions

- The Ethics Committee is independent of The Administrative Board
- Members of The Ethics Committee are proposed by the Selection Committee and approved at TFAC AGM
- Sub-Committee on Ethics Code is appointed by TFAC Administrative Board
- Thai Ethics Code follows Accounting Professions Act of B.E. 2547 (2004) and IFAC's IESBA
- Development in progress
 - Accounting Act of B.E. 2543 (2000)
 - Accounting Professions Act of B.E. 2547 (2004)

Topic Key words



Nurture (transitive verb) has 3 meanings

- to supply with nourishment
// care for and nurture a baby
- Educate
// nurture kids in clean rooms
- to further the development of
// nurture a friendship

Ethics (noun) encompass

- the discipline dealing with what is good and bad and with moral duty and obligation
- a set of moral principles
- the principles of conduct governing an individual or a group
// professional ethics
- a guiding philosophy
- a consciousness of moral importance

Nurturing the Ethical Value



in a Diverse and Changing Work Environment

Who should be responsible for nurturing the ethical value of accounting profession?

- Professional Accountants
- Professional Accounting Firms
- Accounting Professional Bodies
- Regulators



The Code of Ethics

- The Fundamental Principles

1. Integrity
2. Objectivity (and Independence)
3. Professional Competence and Due Care (and maintaining working standards)
4. Confidentiality
5. Professional Behavior (responsibility to clients, shareholders, and partners)
6. Transparency

- Those with red are additional fundamental principles required by Accounting Professions Act of B.E. 2547 (2004)
- IESBA put independence principle as a separate standard in Parts 4A and 4B.



The Code of Ethics

- The Conceptual Framework

➤ THREATS in the Environment

1. Be able to identify threats to complying with the fundamental principles
2. Be able to assess the threats whether they are in acceptable level
3. Be able to deal with the threats to the level that is acceptable

➤ Enabling the accounting professional to do so, the accounting professional must

1. Have an inquiring mind
2. Exercise professional judgement
3. Use the reasonable and informed third party test



The Code of Ethics

- NOCLAR

Important !!!!

Professional accountants must:

- Be alert where there may be NOCLAR (Non-compliance with Laws and regulations) incidents.
- Know how to proceed when become aware of the NOCLAR incidents.

Nurturing the Ethical Value



in a Diverse and Changing Work Environment

All disruptions and differences, such as

- Pandemics
- Technology Advancement
- Cultural and Generation gaps
- Language and Communication gaps
- Different stages of international standards adoption

IESBA Adoption in ASEAN Countries



Country	Int'l Standards on Auditing	IESBA Code of Ethics
Brunei	Not Adopted	Adopted
Cambodia	Adopted	Partially Adopted
Indonesia	Partially Adopted	Adopted
Lao PDR	Adopted	Partially Adopted
Malaysia	Adopted	Adopted
Myanmar	Partially Adopted	Adopted
Philippines	Adopted	Partially Adopted
Singapore	Partially Adopted	Partially Adopted
Thailand	Adopted	Adopted + Legislation
Vietnam	Partially Adopted	Partially Adopted



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- Flexible gestures but maintaining the fundamental principles without bias.
- Fostering innovation and value the diversity of the workforce by promoting speak up campaign which helps preventing mistake and misconduct.
- Respecting competitors' confidential information by collecting information about competitors only if it's available publicly or doing so doesn't breach legal or contractual obligations.
- Developing great plan and good audit document/information ecology to support rotation as it always upsets the audit client.
- Keeping foster new ideas to improve the value and performance of the services, this supports competence.



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- Profession keeps investing in system to prevent non-compliance matters including data breaches may lead to a confidentiality incident. Information of a private and sensitive nature must be used responsibly, controlled, and protected to prevent arbitrary and careless disclosures.
- Likewise, laws and regulations developments requires auditors to broaden their knowledge to avoid actions that may discredit themselves and/or the professions. This covers client expectation on auditor's knowledge about international business, relevant laws of the countries in which they do business.
- Currently audit assistants may not give priorities to obtain professional license which is quite significant for their career and build professional trust to clients.
- Assemble frameworks and concept to address some of the current ethical concerns on AI.

Nurturing the Ethical Value



in a Diverse and Changing Work Environment

- WFH working necessity (style) requires the auditor to adjust their communication style more appropriately, so that the clients do not feel that they were left somewhere such as
 - Weekly/monthly status update.
 - sending document link for clients to check accounting or tax information.
 - systematic communication with clients relating to the found accounting and tax matters as well as continuing follow-ups.
- Emphasis on importance and necessity of information security as we work more on virtual basis where we don't easily see the physicals.
- Auditor's rotation needs to be very well planned and informed to avoid any upsets, but auditor's independence remains.



Thank You
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