

Structural Integrity: The 2024 International Code of Ethics

A Definitive Framework for Professional Accountants

The Global Baseline for Public Trust

Issued by the International Ethics Standards Board for Accountants (IESBA), the Code establishes high-quality ethical requirements applicable to professional accountants worldwide.



PUBLIC TRUST

Integrity

Straightforward and honest in all professional and business relationships.

Objectivity

Not compromising professional or business judgments because of bias, conflict of interest, or undue influence.

Professional Competence & Due Care

Attaining and maintaining professional knowledge and skill at the level required to ensure competent professional service.

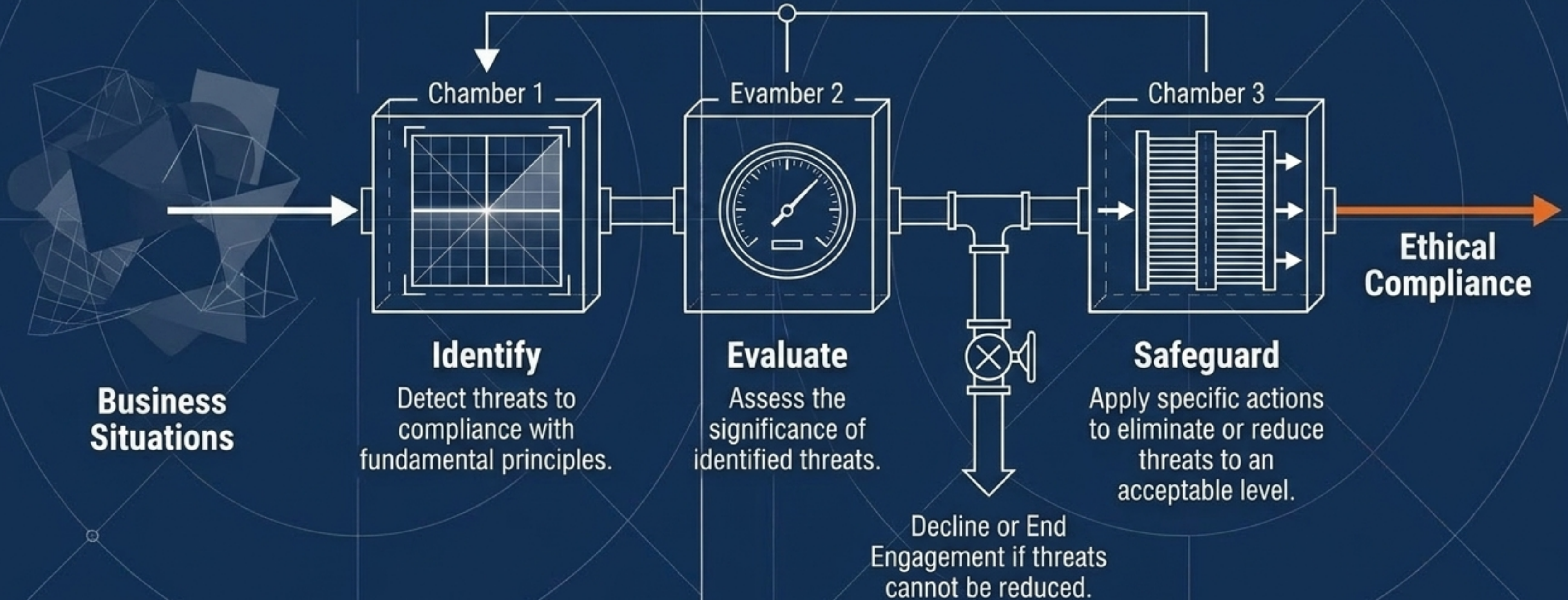
Confidentiality

Respecting the confidentiality of information acquired as a result of professional relationships.

Professional Behavior

Complying with relevant laws and regulations and avoiding any conduct that might discredit the profession.

The Conceptual Framework Engine



Threat Category	Vulnerable Principle	Situational Example
Self-Interest Threat	Objectivity / Integrity	Holding a direct financial interest (e.g., shares) in an audit client.
Self-Review Threat	Competence / Objectivity	Auditing a financial system that the accountant's firm previously designed and implemented.
Advocacy Threat	Objectivity	Acting as legal counsel or publicly promoting shares on behalf of an audit client.
Familiarity Threat	Objectivity / Professional Skepticism	A senior engagement team member having a long-standing, close relationship with the client's CFO.
Intimidation Threat	Integrity / Objectivity	Being pressured to agree with a client's aggressive accounting treatment under threat of dismissal.

Independence of Mind

The state of mind that permits the expression of a conclusion without being affected by influences that compromise professional judgment.

Keywords: Cognitive Objectivity, Professional Skepticism, Internal Integrity

Independence in Appearance

The avoidance of facts and circumstances that are so significant that a reasonable and informed third party would conclude integrity or objectivity has been compromised.

Keywords: Structural Safeguards, Partner Rotation Requirements, Financial Interest Restrictions



Both dimensions are mandatory for audit and review engagements. One cannot exist without the other.

Non-Assurance Services (NAS) Protocol



General Rules

Providing NAS to audit clients requires continuous application of the Conceptual Framework to identify self-review or advocacy threats.

PIE Safeguards

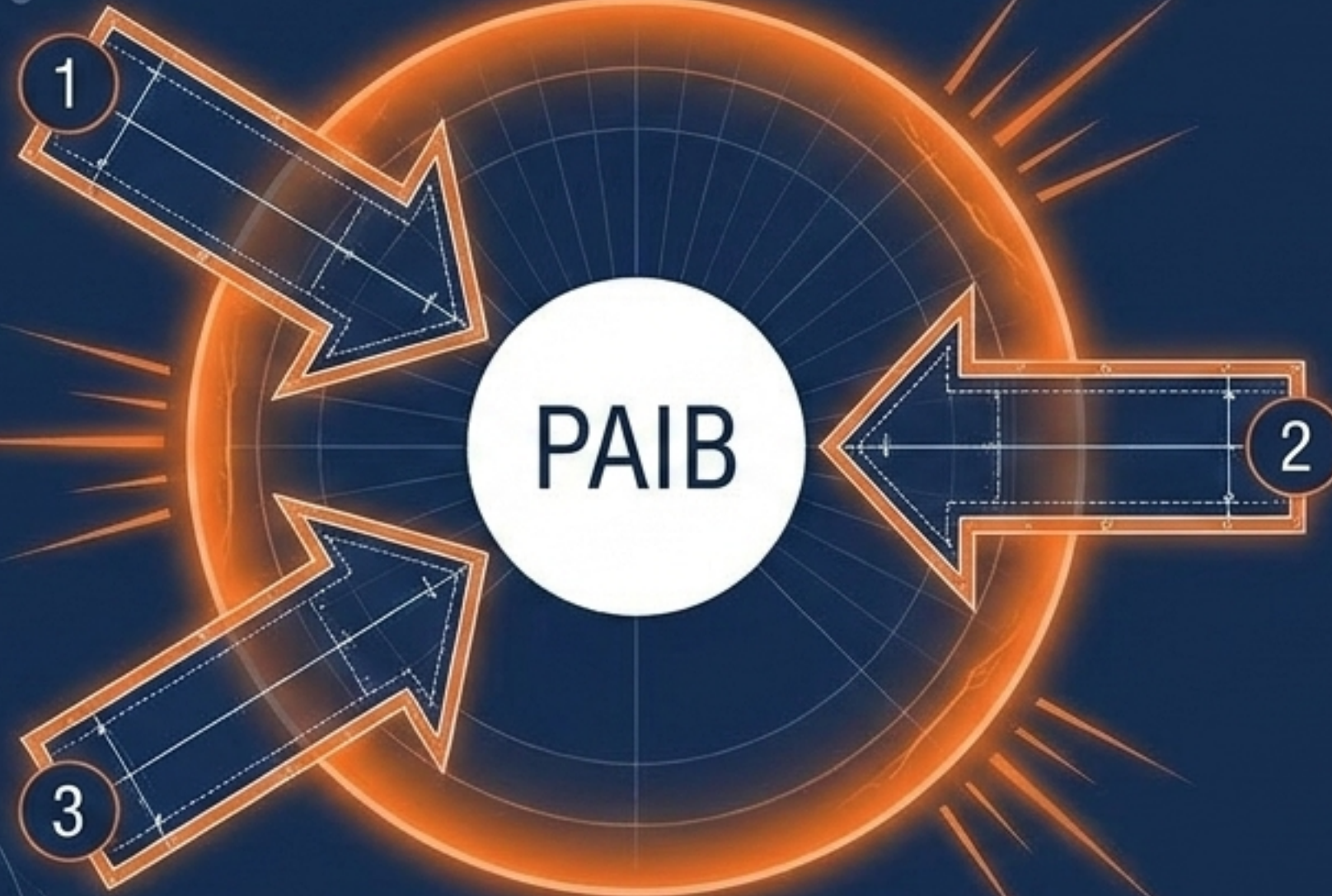
Enhanced requirements and transparency/communication protocols trigger when the client is a Public Interest Entity (PIE).

Prohibitions

Absolute bans in specific circumstances where the self-review threat is too high to safeguard (e.g., assuming management responsibility).

The Internal Guardian: PAIB Responsibilities

Pressure to manipulate
financial reporting.



Pressure to bypass
internal controls.

Pressure to conceal
vital information.

The PAIB must actively resist pressure to breach ethical principles, relying on the Conceptual Framework to maintain the integrity of organizational data.

The NOCLAR Escalation Staircase

External Whistleblowing

Disclose the matter to an appropriate external authority, overriding standard confidentiality principles to protect the public.

Determine Further Action

Assess if the organizational response is adequate and if further action is needed in the public interest.

Address the Matter Internally

Discuss with immediate superiors or those charged with governance to rectify, remediate, or mitigate the consequences.

Obtain Understanding

Identify Non-Compliance with Laws and Regulations (NOCLAR). Gather factual evidence without acting as an investigator.

Modern Multipliers: Accelerating Traditional Ethical Threats



The 2024 Code introduces enhanced guidance on technology and complexity precisely because they act as modern multipliers for traditional ethical threats, requiring strengthened independence provisions and a more vigilant professional mindset.

The background of the slide is a dark blue architectural blueprint. It features a central semi-circular arch supported by two columns. The arch and columns are drawn with fine white grid lines. A solid orange trapezoidal shape, representing a keystone, is positioned at the top center of the arch. The entire design is overlaid on a series of concentric circles and radial lines, resembling a technical drawing or a blueprint.

Ethical Leadership in a Complex World.

The 2024 Code is more than a set of prohibitions. It is the structural blueprint for ethical leadership, ensuring that amidst rising complexity, the accounting profession remains the ultimate guarantor of global public trust.