

Institute of Financial Accountants framework for regulation and code of best practice



Effective from 1 January 2018

The Institute of Financial Accountant's (Institute) framework for regulation

1. A member, affiliate, student or member firm must comply with relevant laws and regulations in their jurisdictions, including contractual obligations. This applies to any actions made in the course of work completed either for an employer or a client, or any third party that looks to their professional standing.
2. A member, affiliate, student or member firm must not do anything which compromises or impairs, or is likely to compromise or impair, their integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and in the case of client relationships, their professional independence.
3. A member, affiliate, student or member firm must always show a proper standard in all professional work completed in accordance with current developments in practice, legislation, techniques and must act diligently and in accordance with applicable technical and professional standards.
4. A member, affiliate, student or member firm must not bring themselves, the Institute or the accountancy profession into disrepute.
5. A member, affiliate, student or member firm must comply with and uphold the requirements applicable to them under the Institute's Articles of Association, Bye-Laws, Code of Ethics, regulations and other guidance issued by the Institute.
6. A member engaged in public practice in the United Kingdom must hold a current practising certificate from the Institute. Members are engaged in public practice when they personally and directly provide or hold themselves out to provide accountancy services to the public for reward in the United Kingdom, whether in the capacity of sole practitioner, in partnership or through the medium of a body corporate or otherwise, other than as an employee.

The Institute of Financial Accountant's (Institute) Code of Best Practice

1. All members, affiliates, students or member firms must maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards. No work must be undertaken which is clearly beyond the professional competence of the member, affiliate, student and member firm.
2. All members, affiliates, students and member firms should plan their work.
3. All members, affiliates, students and member firms should have an adequate system of administration for the work they undertake.
4. The level of remuneration for any work undertaken by a member, affiliate or member firm should be agreed between the parties before the work is undertaken. The Institute is not involved in the setting of fees. The fees are normally agreed between the member, affiliate or member firm and their client as part of an engagement letter.
5. Members, affiliates and member firms engaged in public practice must issue terms of engagement (usually an engagement letter) to clients at the commencement of their engagement. The terms of engagement should be reviewed on an ongoing basis and updated as appropriate. When a client relationship ceases, members should issue a letter to this effect (usually a disengagement letter).
6. Any member or member firm which holds client money must keep such funds property and clearly distinct from their own property and handle it with the same care as if it were their own. Client money means money of any currency which a firm holds or receives for or from clients, and which is not immediately due and payable on demand to the firm for its own account. Fees paid in advance for professional work agreed to be performed and clearly identifiable as such are excluded.

7. No member, affiliate, student or member firm should accept work where there is a conflict of interest unless all parties are aware of that conflict and have agreed that the work can be undertaken.
8. Members, affiliates and member firms must make adequate arrangements for continuity of services in the event of the member being incapacitated by illness, or in the event of death.
9. Any member, affiliate or member firm should comply with the standards laid down by the Advertising Standards Authority (ASA) in the UK, or any similar regulations applicable in their jurisdiction or in the jurisdiction where the advertisement is placed.
10. Members must ensure that they remain professionally competent by undertaking the necessary Continuing Professional Development (CPD) each year unless they are CPD exempt.
11. Members, affiliates and member firms engaged in public practice must note and act on their needs for Professional Indemnity Insurance (PII) which adheres to the Institute's public practice regulations. This is compulsory for those holding practising certificates with the Institute.
12. The Institute expects members, affiliates, students and member firms to demonstrate best practice with clients, employees and other third parties.