

# Code of Ethics & Professional Conduct

The purpose of this Code of Ethics and Professional Conduct (Code) is to provide standards for members of the Institute of Professional Bookkeepers of Canada, operating as Certified Professional Bookkeepers of Canada (CPB Canada), which define appropriate conduct in their employment and practice. In society, the trust in, and reliance on, the financial records of businesses and individuals is dependent upon the preparer's truthful, careful and diligent making and keeping of those records. The Code and Guidance herein are based on the principles which have emerged out of the collective experience of the profession, recognizing that a code of professional conduct, which is enforceable by sanctions, does not by its nature state the most that is expected of members, but simply the least, the Code thus defines a minimum level of acceptable conduct. Adherence to this Code will preserve the dignity, respect and trust accorded to this organization and its members.



## ● Professional Behaviour

CPB Canada requires all members to conduct themselves, at all times, in a manner which will maintain the good reputation of the profession and serve the public interest. In doing so, members are expected to avoid any action that would discredit the profession. Ethical conduct, in its highest sense, is a product of personal determination; members are expected to acknowledge, embrace, and practice professional behaviour, at minimum, to the standard within this Code. A member's behaviour in any organization, professional or personal, should reflect a reputation for professional excellence.

Any member who occupies a position of senior authority should recognize that such positions include an obligation to influence events, practices, and attitudes within that organization. Accordingly, such members should encourage an ethics-based culture in their organizations that emphasizes the importance of ethical behaviour and compliance with generally accepted standards of practice of the profession. At all times, members are expected to act in relation to other professional colleagues with the courtesy and consideration they would expect to be accorded by their professional colleagues.

## ● Integrity and Due Care

CPB Canada requires all members to perform professional services with integrity and due care. Members are expected to be straightforward, honest, and fair in all professional relationships. They are also expected to act diligently and in accordance with applicable technical and professional standards when providing professional services. Diligence includes the responsibility to act, in respect of any professional service, carefully, thoroughly, and on a timely basis. Members must not sign or associate themselves with letters, reports, or statements that are false or misleading. Members are required to ensure that those performing professional services under their authority have adequate training and supervision. Members have a professional duty to act with integrity and due care, and a contractual duty to provide services as defined by the terms of their engagement or employment.

## ● Professional Competence

CPB Canada requires that all members shall sustain professional competence by keeping informed of, and complying with,

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developments in professional standards in all functions in which the member provides professional services or is relied upon because of the member's calling. This underscores the need for maintaining individual professional skill and competence by adhering to the continuing education requirements as defined by CPB Canada. All members shall comply with CPB Canada's bylaws and regulations as may be approved and in force at the applicable time.

## ● Confidentiality

CPB Canada requires all members to protect confidential information they acquire as a result of professional, employment, or business relationships, and to not:

- (a) disclose it without proper and specific authority or
- (b) exploit it for their personal advantage or the advantage of a third party.

The principle of confidentiality obliges members to protect and maintain the confidentiality of information both inside and outside of a member's firm or employing organization, and to properly address any situation that may arise when it is breached.

The disclosure of confidential information by a member may be required or appropriate where such disclosure is:

- (a) permitted or authorized by the client or employer
- (b) required by law, and provided that you not disclose more confidential information than is required or
- (c) permitted or required by a professional right or duty, when not prohibited by law.

If it is alleged that a member or one of his or her employees has committed a criminal offence involving a client's affairs, is civilly liable for matters involving a client's affairs, has committed an act of professional negligence, or has otherwise breached this Code or the CPB Canada's Bylaws, the member may disclose a client's confidential information in order to defend against the allegation or complaint, but shall not disclose more information than is reasonably required.

## ● Objectivity

CPB Canada requires that all members should not allow their professional or business judgment to be compromised by bias, conflict of interest, or the undue influence of others. Clients expect that members will bring objectivity and sound professional judgment to their services. It thus becomes essential that a member will not subordinate professional judgment to external influences or the will of others.

### Good Character and Duty to Report

1. A member must, at all times, co-operate with CPB Canada and promptly attend to, and respond to, any communications from CPB Canada, including any investigations conducted pursuant to the CPB Canada Complaint and Discipline Policy. They must comply with

any order or resolution of the Board of Directors, or officer, agent, tribunal, committee, or other authoritative body acting on behalf of CPB Canada.

2. A member shall not participate in illegal or criminal activities in any jurisdiction. A member must promptly notify CPB Canada on being charged or convicted, in any jurisdiction, of a) an offence of fraud, theft, forgery, money-laundering, extortion, counterfeiting, criminal organization activity, charging criminal interest rates, financial terrorism or similar offences related to financial matters, or of an offence of conspiring or attempting to commit such offences; or b) any other serious criminal offence that is not related to financial matters but which involves conduct that may reasonably be considered to diminish the good reputation of the profession.

3. A member shall promptly report any apparent breach of this Code or information that raises doubt as to the competence, integrity or capacity of another member that is not trivial in nature.

## ● Professional Services and Fiduciary Duty

1. A member shall not:

- (a) produce or present any documentation or information which the member knows, or should know, is false or misleading, whether or not the documentation or information is subject to a disclaimer of responsibility or
- (b) produce or present any oral report, statement, or representation which the member knows, or should know, is false or misleading.

2. Members must not, whether in their employment or in connection to their supply of services, describe themselves, or allow themselves to be described as holding any designation, qualification, or professional designation the member does not currently hold or for which they are not in good standing.

3. Preparation of Financial Statements: Members of CPB Canada are not licensed as "public accountants", and therefore, they may produce compilation financial statements as allowed by the Accountants Act in each province, and all reports presented should be appropriately identified.

4. A member must not undertake work for a client where the interests of the member and the client conflict.



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## ● Standards of Bookkeeping Practice

1. A member entitled to provide bookkeeping services may engage in any advertising or promotion provided that it conforms to the Canadian Code of Advertising Standards.
2. In any professional correspondence in relation to bookkeeping work with any person with whom the member has professional dealings, the member shall ensure that any written correspondence discloses any badge or designation the member is entitled to use, such as "Apprentice", "Technician", or the designation "CPB".
3. A member who is entitled to provide bookkeeping services may trade using any trading name or style provided that:
  - (a) the trading name is lawful
  - (b) the trading name is consistent with the dignity of practice operated by members of a professional body
  - (c) the trading name cannot include the words "Certified Professional Bookkeeper", "Certified Professional Bookkeepers" or "CPB"
  - (d) notwithstanding the foregoing, a member may seek, and have been granted written approval by CPB Canada (the CEO in consultation with the board chair) for a trading name.
4. A member who has been entrusted with the files, documents, or papers of any client must, at all times, hold and preserve them safely in a convenient, secure place and keep them separated from any other clients' files.
5. A member who contracts or employs a non-member, remains responsible to CPB Canada for any failure of such non-member to abide by this Code.
6. A member shall ensure that his/her affairs are conducted so as to comply at all times with the requirements of all federal and provincial privacy laws and anti-spam legislation, including but not limited to the Personal Information Protection and Electronic Documents Act (PIPEDA) and Canadian Anti-Spam legislation (CASL). It is in the best interest of the member to publish a privacy policy that is available to the public. CPB Canada has published guidelines for the development of a privacy policy.
7. A member will ensure the training needs and professional competence of their employees, contractors, and themselves. The member shall ensure that training and/or continuing education plans are regularly revised, maintained, and implemented.
8. Before any work is undertaken, a member shall ensure a Letter of Engagement is in place which, at minimum, defines the responsibilities of both client and bookkeeper, scope of work, timeline(s), and terms of remuneration

## ● Errors and Omissions

1. Members are strongly encouraged to maintain errors and omissions insurance at a level that best suits the members' business situation, to be determined by the member in consult with their insurer.
2. If the member discovers an error or omissions that is or may be damaging to the client and that cannot be rectified readily, the member shall:
  - (a) promptly inform the client of the error or omission
  - (b) recommend the client obtain legal advice concerning any rights the client may have arising from the error or omission
  - (c) advise the client that in the circumstances, the member may no longer be able to act for the client and
  - (d) report the potential claim to their insurer.