Integrity Companion

ETHICS AND GOVERNANCE | MODULE 2, PART C | PRINCIPLE 1 | HONEST INFORMATION AND CONDUCT

Core duty: be straightforward and honest in professional and business relationships. Protect the meaning communicated to the reader, not only the arithmetic.

Three ways information can mislead

Risk	What the accountant must recognise
Materially false statement	A claim can give a materially wrong account of the facts.
Reckless information	A statement advanced recklessly without an adequate basis can mislead.
Misleading omission or obscurity	Leaving out or hiding required information can distort the overall message, even when the remaining statements are correct.

Move from concern to a truthful account

1. **Check the message.** What will the intended user reasonably understand? Which material fact, qualification or limit changes that understanding?
2. **Seek correction.** Clarify the facts and required presentation; consult or escalate through an appropriate route.
3. **Protect association.** Do not knowingly remain associated with materially misleading information. If it cannot be corrected, consider the required action to disassociate.

Keep the distinction: a genuine difference in supported judgement is different from deliberate deception. Integrity does not require certainty about every estimate; it requires honesty about the evidence, assumptions and limits.

Source: supplied CPA Ethics and Governance extract, Module 2, s. 2.9, printed pp. 70-71, 91-92. Compiled APES 110, December 2022 syllabus context. Original explanatory wording.