

**The fundamental principles of ethical behaviour mean you should always act in the wider public interest. You need to take into account all relevant information and use professional judgement, your personal values and scepticism to evaluate data and make decisions. You should identify right from wrong and escalate anything of concern. You also need to make sure that your skills, knowledge and behaviour are up-to-date and allow you to be effective in your role.**

#### Elements

Here are the elements you need to achieve for this performance objective

A	Act diligently and honestly, following codes of conduct, taking into account – and keeping up-to-date with – legislation.
B	Act with integrity, objectivity, professional competence and due care and confidentiality. You should raise concerns about non-compliance.
C	Develop a commitment to your personal and professional knowledge and development. You should become a life-long learner and continuous improver, seeking feedback and reflect on your contribution and skills.
D	Identify, extract, process and evaluate information to make reliable, well-reasoned conclusions.
E	Check, critically analyse and assess financial and other data with professional scepticism. You should question opinion and facts through corroboration and robust testing.

I was assigned to external audit of a public limited company. On entry meeting with Regional Finance Manager(RFM), I came to know he is one of my team member family relative uncle to him, as RFM and my team member has never met before. During the first day, he did his tasks as planned. After the office hour, RFM offered him for dinner, as a courtesy he went along with RFM. According to my team member He offered him, for hard drinks but he refused and had a normal meal only. Next working day, RFM asked him for detail information about my team member family members, RFM kept on talking more about his team member family and relatives. We noticed he was the uncle to him. **As there is the policy of signing the independence i.e. there is no any threads of objectivity or any undue influence on our work. We convince him that he was not independence in his work.** As, we observe he could not freely ask queries regarding audit observations, he was feeling pressurized and we realized familiarity threats. As per code of ethics in such situation he should refrain from such threat, so we as an team member informed my engagement partner about his relationship with RFM and situations. We further requested him to send a substitute for my team member as he was not comfortable to execute the assignment. As requested, my engagement partner switched team member to another client and sent another audit staff to continue assignment.