



## **CFE Code of Professional Standards**

**(1<sup>st</sup> Amended Version, Adopted by the Board of Regents, January 17, 2018)**

### **Section I. Preamble**

The Association of Certified Fraud Examiners is an association of professionals committed to performing at the highest level of ethical conduct. Members of the Association pledge themselves to act with integrity and to perform their work in a professional manner.

Members have a professional responsibility to their clients, the public interest and each other, a responsibility that requires subordinating self-interest to the interests of those served.

These Standards express basic principles of ethical behavior to guide members in the fulfilling of their duties and obligations. By following these Standards, all Certified Fraud Examiners shall be expected, and all Associate members shall strive, to demonstrate their commitment to excellence in service and professional conduct.

### **Section II. Applicability of Code**

The CFE Code of Professional Standards shall apply to all certified members of the Association of Certified Fraud Examiners (ACFE). Associate members of the ACFE should strive to adhere to the Standards, but are not bound by them. The use of the terms “Certified Fraud Examiner” and “CFE” in this Code shall refer to certified members. For purposes of these Standards, the term “fraud examination” means an assignment or engagement, a substantial purpose of which involves the prevention, detection, investigation, or resolution of fraud or fraud-related conduct.

### **Section III. Standards of Professional Conduct**

#### **A. Integrity and Objectivity**

1. Certified Fraud Examiners shall conduct themselves with integrity, knowing that public trust is founded on integrity. CFEs shall not sacrifice integrity to serve their client, their employer or the public interest.
2. Prior to accepting the fraud examination, Certified Fraud Examiners shall investigate for actual, potential, and perceived conflicts of interest. CFEs shall disclose any such conflicts of interest to potentially affected clients or to their employers.

3. Certified Fraud Examiners shall maintain objectivity in discharging their professional responsibilities within the scope of the fraud examination.
4. Certified Fraud Examiners shall not commit acts discreditable to the ACFE or its membership, and shall always conduct themselves in the best interests of the reputation of the profession.
5. Certified Fraud Examiners shall not knowingly make a false statement when testifying under oath in a court of law or other dispute resolution forum. CFEs shall comply with lawful orders of the courts or other dispute resolution bodies. CFEs shall not commit criminal acts or knowingly induce others to do so.

#### **B. Professional Competence**

1. Certified Fraud Examiners shall be competent and shall not accept assignments where competence is lacking. In some circumstances, it may be possible to meet the requirement for professional competence by use of consultation or referral.
2. Certified Fraud Examiners shall maintain the minimum program of continuing professional education required by the Association of Certified Fraud Examiners. A commitment to professionalism combining education and experience shall continue throughout the CFE's professional career. CFEs shall continually strive to increase the competence and effectiveness of their professional services.

#### **C. Due Professional Care**

1. Certified Fraud Examiners shall exercise due professional care in the performance of their fraud examination services. Due professional care requires diligence, critical analysis and professional skepticism in discharging professional responsibilities.
2. Conclusions shall be supported with evidence that is relevant, reliable and sufficient.
3. Fraud examinations shall be adequately planned. Planning controls the performance of a fraud examination from inception through completion and involves developing strategies and objectives for performing the services.
4. Work performed by assistants and other professionals operating under the Certified Fraud Examiner's direction on a fraud examination shall be adequately supervised. The extent of supervision required varies depending on the complexities of the work and the qualifications of the assistants or professionals.

#### **D. Understanding with Client or Employer**

1. At the beginning of a fraud examination, Certified Fraud Examiners shall reach an understanding with those retaining them (client or employer) about the scope and limitations of the fraud examination and the responsibilities of all parties involved.
2. Whenever the scope or limitations of a fraud examination or the responsibilities of the parties change significantly, a new understanding shall be reached with the client or employer.

#### **E. Communication with Client or Employer**

1. Certified Fraud Examiners shall communicate to those who retained them (client or employer) significant findings made during the normal course of the fraud examination.

#### **F. Confidentiality**

1. Certified Fraud Examiners shall not disclose confidential or privileged information obtained during the course of a fraud examination without the express permission of a proper authority or the lawful order of a court. This requirement does not preclude professional practice or investigative body reviews as long as the reviewing organization agrees to abide by the confidentiality restrictions.

### **Section IV. Standards of Examination**

#### **A. Fraud Examinations**

1. Fraud examinations shall be conducted in a legal, professional and thorough manner. The Certified Fraud Examiner's objective shall be to obtain evidence and information that is complete, reliable and relevant.
2. Certified Fraud Examiners shall establish predication and scope priorities at the outset of a fraud examination and continuously reevaluate them as the examination proceeds. CFEs shall strive for efficiency in their examination.
3. Certified Fraud Examiners shall be alert to the possibility of conjecture, unsubstantiated opinion and bias of witnesses and others. CFEs shall consider both exculpatory and inculpatory evidence.

## **B. Evidence**

1. Certified Fraud Examiners shall endeavor to establish effective control and management procedures for documents, data and other evidence obtained during the course of a fraud examination. CFEs shall be cognizant of the chain of custody including origin, possession and disposition of relevant evidence and material. CFEs shall strive to preserve the integrity of relevant evidence and material.
2. Certified Fraud Examiners' work product may vary with the circumstances of each fraud examination. The extent of documentation shall be subject to the needs and objectives of the client or employer.

## **Section V. Standards of Reporting**

### **A. General**

1. Fraud examination reports may be oral or written, including fact witness and/or expert witness testimony, and may take many different forms. There is no single structure or format that is prescribed for a CFE's report; however, the report should not be misleading.

### **B. Report Content**

1. Certified Fraud Examiners' reports shall be based on evidence that is sufficient, reliable and relevant to support the facts, conclusions, opinions and/or recommendations related to the fraud examination. The report shall be confined to subject matter, principles and methodologies within the member's area of knowledge, skill, experience, training or education.
2. No opinion shall be expressed regarding the legal guilt or innocence of any person or party.