

**STUDENT ACCOUNTANT**  
ACCA'S MAGAZINE  
FOR TRAINEES

**JANUARY 2013**

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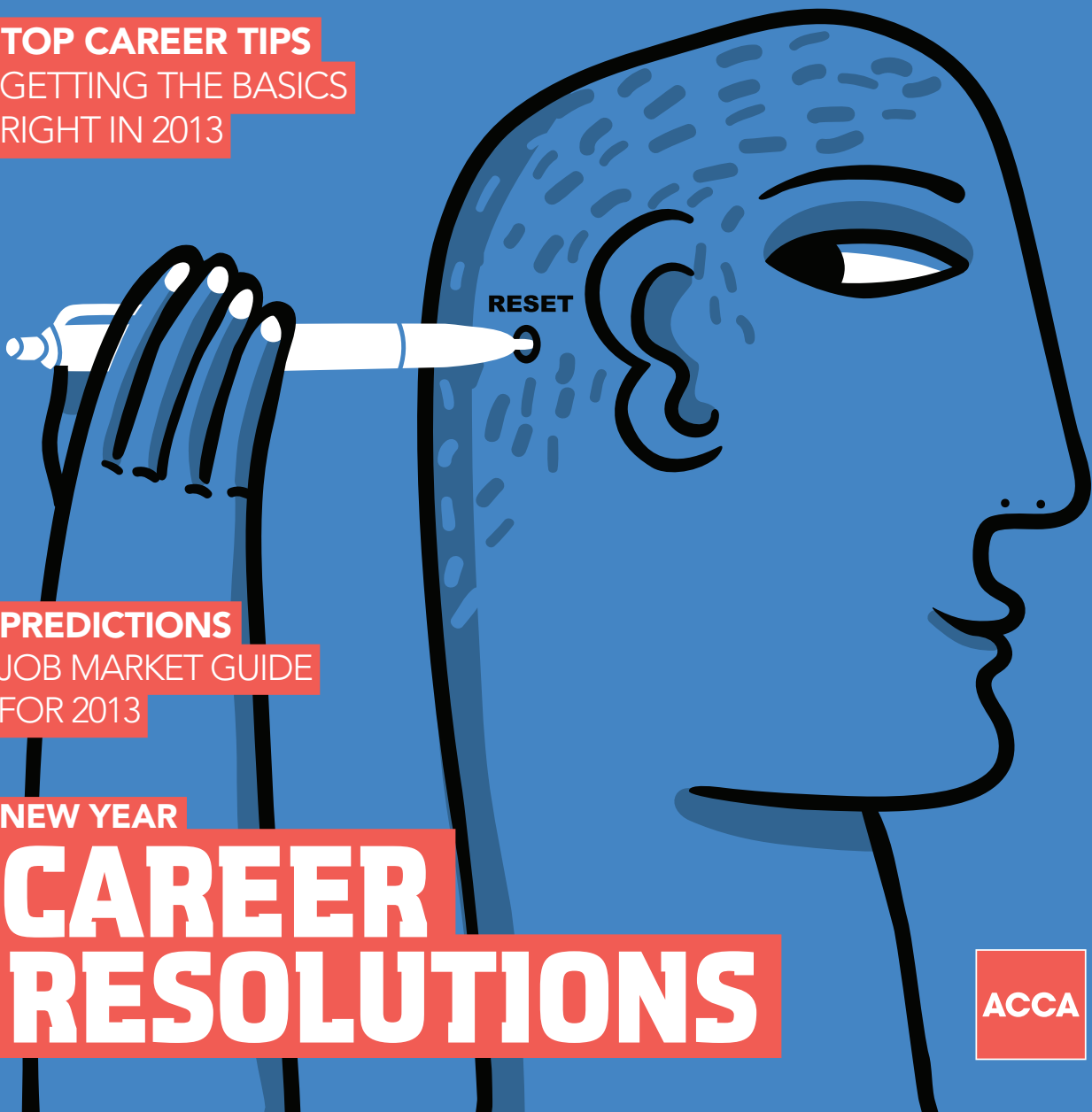
**TOP CAREER TIPS**  
GETTING THE BASICS  
RIGHT IN 2013

**PREDICTIONS**  
JOB MARKET GUIDE  
FOR 2013

**NEW YEAR**  
**CAREER  
RESOLUTIONS**

RESET

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Louisa McKay  
1st in World, ACCA P7, June 2012  
Kaplan ACCA Distance Learning student

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# EDITOR'S CHOICE

## WELCOME TO THE JANUARY 2013 ISSUE OF *STUDENT ACCOUNTANT*

In this issue, we take a look at how 2013 will shape up in terms of growth job areas and career development.

Whether you're looking for your first job or planning to change employers, January is a perfect time to clarify your professional goals and develop a plan to advance your career. In terms of your career, this is also a good time to reflect on your progress over the past year and plan how to grow professionally. You may want to commit to a few New Year's resolutions too. We give you some ideas.

With the economic downturn continuing to affect many sectors and regions, 2013 will see employers continue to alter their hiring patterns to suit their needs. We share a number of ways to ensure your skills marry up with what they will be looking for.

This issue's Learning Centre takes a look at India and how students are embracing the challenges of the ACCA Qualification. We also look at listening skills – one of the most important communication skills to have – and take a closer look at the oil and gas sector as a career choice. We have an in-depth look at the Professional Ethics module (now compulsory for all students regardless of when you registered) and we meet a student



who tells us about her experience of completing the module. We also feature frequently asked questions (and answers) about the practical experience requirement. What better time to assess your progress to date on *My Experience* while you're waiting for exam results?

We've a bumper crop of technical articles relevant to Papers FAU, F5, F6, F8, P3, P5, P6 and P7 and links to the technical article archive and our subject-specific videos.

Noticeboard contains important information about annual fees, exam results, *My Experience* and the Oxford Brookes degree.

We hope you enjoy this issue of *Student Accountant*. If you have any feedback, please contact us at [studentaccountant@accaglobal.com](mailto:studentaccountant@accaglobal.com)

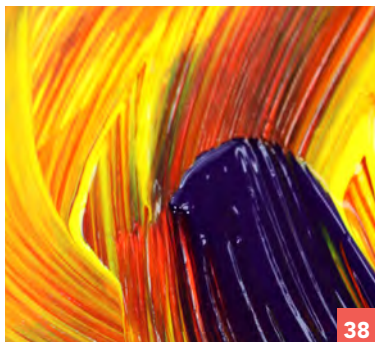
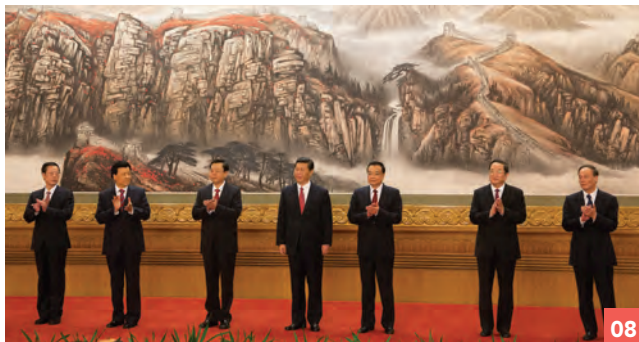
**Victoria Morgan**  
**Editor, *Student Accountant* magazine**



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### SA TECHNICAL ARTICLE ARCHIVE

All technical content from *Student Accountant* is on ACCA's website ►

### PRACTICAL EXPERIENCE

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## TECHNICAL

### 41 TECHNICAL RESOURCES

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student/publications/  
sa-archive.html](http://www.accaglobal.com/en/student/publications/sa-archive.html)

## RESOURCES

45 NOTICEBOARD  
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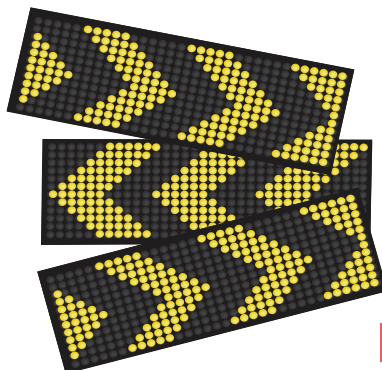


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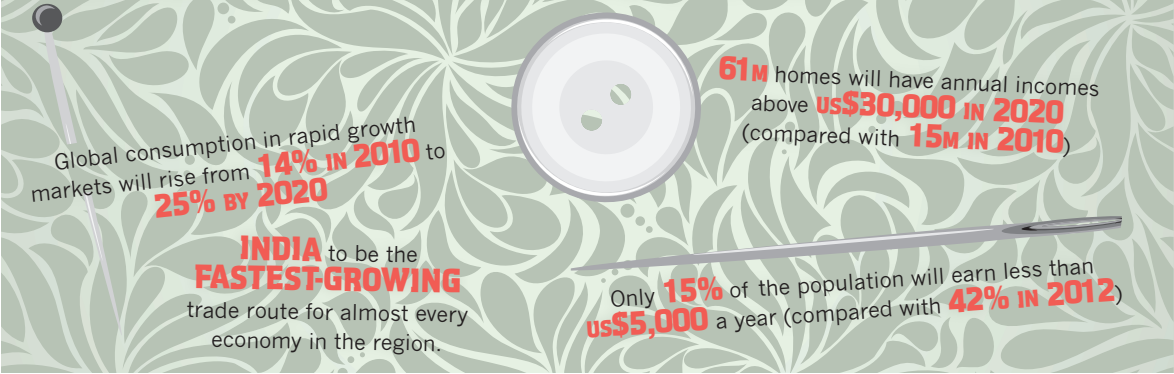
A DESERVED ESCAPE?

Expedia's *Vacation Deprivation* 2012 survey of over 8,600 employees in 22 countries has given employers in South Korea the dubious honour of frowning most on staff taking holiday. Norway's bosses were most supportive of staff taking holiday, while US bosses came mid-table.



TRADE PATTERN SHIFT TO FAVOUR EMERGING MARKETS

An Ernst & Young report, *Beyond Asia: New Patterns of Trade*, predicts that Asia Pacific's 6.4% growth rate, sub-Saharan Africa's 4.5% and Latin America's 3.9% will be the highest in the world over the next 10 years. The statistics below map the likely effects in Asia Pacific's rapid growth markets.



HOT TO SHOP

Three different continents filled the top three positions in a CNN Travel survey ranking the best cities in the world to shop in on the basis of ease of getting round, value, variety and the whole experience.

## CHIPS STACKED HIGH FOR BRIC MARKETS

The *BDO Ambition Survey 2012* finds that CFOs' appetite for risk has been cut by the economic crisis. The global survey of CFOs from mid-sized companies found that nearly half plan increased investment in the 'safe havens' of Brazil, Russia, India and China.



29% 2011



45% 2012

## TAXABLE INCOME LEVEL (US\$) WHERE HIGHEST RATES OF PERSONAL INCOME TAX TAKE EFFECT



394,380  
SPAIN



388,350  
US



329,611  
GERMANY



270,000  
SOUTH KOREA



257,664  
SINGAPORE



242,760  
UK



225,000  
JAPAN



201,528  
PORTUGAL



185,166  
AUSTRALIA



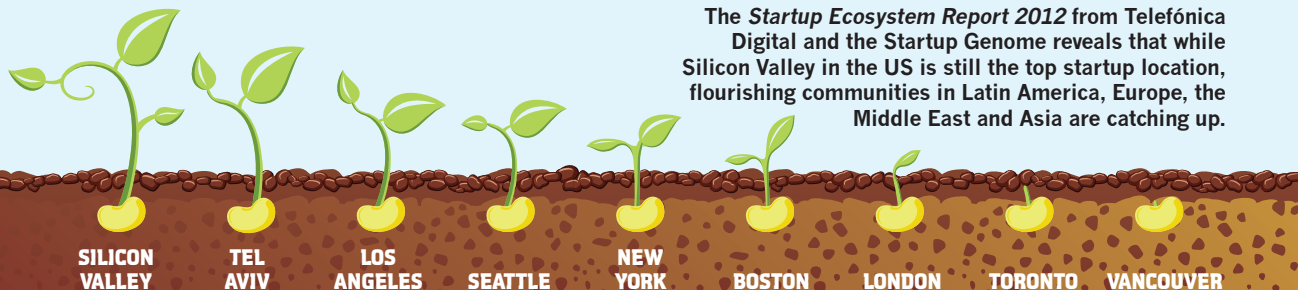
TOP RANKED TAX REGIMES

## TAX TAKES A BITE

Two new surveys provide a snapshot of the global tax picture. *KPMG's Individual Income Tax and Social Security Rate Survey*, covering 114 countries, concentrates on top personal tax levels, while *Paying Taxes* – produced by PwC, World Bank and the International Finance Corporation – compares tax systems across 185 economies.

## SOWING THE STARTUP SEED

The *Startup Ecosystem Report 2012* from Telefónica Digital and the Startup Genome reveals that while Silicon Valley in the US is still the top startup location, flourishing communities in Latin America, Europe, the Middle East and Asia are catching up.





CHINA

#### CHINA

China's new leadership team meets the media in Beijing. From left: Zhang Gaoli, Liu Yunshan, Zhang Dejiang, Xi Jinping, Li Keqiang, Yu Zhengsheng and Wang Qishan



#### BURMA

Barack Obama became the first sitting US president to visit Myanmar, praising the courage of fellow Nobel Peace Prize winner Aung San Suu Kyi, while also providing a symbolic nod to initial reforms



BURMA



UK

#### UK

Canadian Mark Carney was appointed governor of the Bank of England by the UK chancellor



US

#### US

Mary Shapiro quit as chief of the US Securities and Exchange Commission, turning over the reins to commissioner Elisse Walter





#### QATAR

Heated talks at the Doha Climate Change Conference finally led to rich nations agreeing to compensate poorer nations for losses due to climate change

#### UKRAINE

Opposition parties protested against alleged fraud in the Ukrainian parliamentary elections. Prime minister Mykola Azarov and the entire government later resigned



#### UKRAINE



#### UK

#### UK

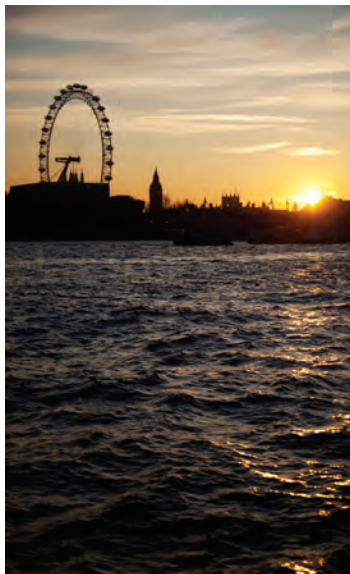
Starbucks will voluntarily pay around £20m in corporation tax in the UK over the next two years – regardless of whether it makes a profit – in response to a public backlash in the UK over its perceived tax avoidance

#### INDIA

A blanket ban has been imposed on the sale, storage and use of plastic bags in Delhi. Penalties for violation include up to five years in jail



#### INDIA



## LONDON TO LOSE TOP SPOT

**London will cease to be the world's largest financial services employer by 2015, says a report from economics consultancy the Centre for Economics and Business Research. Hong Kong will have more global financial services jobs than London within two years, while New York already has more employees in the sector if those servicing domestic demand are included. Singapore is also on track to overtake London. Report lead author Rob Harbron said: 'Hong Kong has jumped from half London's size to overtaking London within a decade.'**

### IFRS JAPAN OFFICE OPENED

The IFRS Foundation, parent body of the International Accounting Standards Board (IASB), has chosen Asia as the location of its first international office outside the UK. The new office, which is based in Tokyo, will provide support to the Asia-Oceania region on the development, adoption and consistent application of International Financial Reporting Standards (IFRS).

At the opening, Michel Prada, chairman of trustees at the IFRS Foundation, noted that the region was home to some of the world's largest capital markets and fastest growing economies. 'It is also a highly diverse region, hence the need to establish a local presence to ensure that views across the region are heard and considered as part of the standard-setting process.'

It was for these reasons that locating the first international office in this region 'made perfect sense', he said. 'Many jurisdictions across the Asia-Oceania region have already

adopted IFRS, while others have already made substantial progress in their transitional arrangements.'

IASB chairman Hans Hoogervorst said the opening of the regional office was a moment 'of huge symbolic significance. It demonstrates the commitment of the IASB to be a truly global organisation.'

### ACCOUNTANTS IN DEMAND

Newly qualified, mid- and senior-level accountants are in demand because of what the *Robert Half Financial Services Salary Guide 2013* calls the 'unstoppable rise of new regulation in the UK financial services marketplace'. Stronger regulation has led to job creation and above-inflation pay rises, says the review. However, a survey conducted by recruitment advisory firm Randstad found that accountants' pay has fallen behind since the onset of the financial crisis, rising by 7.5% since 2006, compared to 8.1% for lawyers and 11.4% for all UK employment.

### WARREN ALLEN TO HEAD IFAC

Warren Allen of New Zealand has been elected as the new president of IFAC for a two-year term. He took over from Göran Tidström in November. Olivia Kirtley of the US becomes deputy president. Allen served on the IFAC board for six years and has chaired the planning and finance committee. He is executive director and recently retired partner of Ernst & Young New Zealand.

### ACTION ON ISLAMIC FINANCE

The growth of Islamic finance means urgent action is required on the harmonisation of financial reporting standards, argues a joint report from ACCA and KPMG. The report was based on a series of high-level international roundtables in London, Kuala Lumpur and Dubai. It calls on the International Accounting Standards Board (IASB) and the Islamic finance sector to jointly develop guidance and standards and to educate investors on sharia-compliant finance. The IASB should consider issuing guidance on the application of International Financial Reporting Standards (IFRS) to certain Islamic financial products, recommends the report.

### CHINA PAUSES FOR BREATH

Analysts are predicting a fairly conservative decade ahead for China under its new leadership team. In the November 2012 elections, Xi Jinping was named as the Communist Party's new leader. The party faced great challenges but would work to meet 'expectations of both history and people', he said.

The 59-year-old Xi is gradually increasing his power ahead of formally taking over as president in early 2013.

Following a long-held tradition, China changes its leadership every 10 years. Xi replaces Hu Jintao, under whose administration China has experienced a decade of extraordinary growth.

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# **SOFT SKILLS BRIEFING:**

# **LISTENING, SPEAKING AND PERSUADING**





## THE ACCOUNTANT'S TYPICAL WORKLOAD INVOLVES CONSTANT COMMUNICATION WITH A VARIETY OF STAKEHOLDERS ON A VARIETY OF ISSUES, USING A VARIETY OF METHODS. SO WHAT SKILLS DO YOU NEED?

**'To progress in accountancy, you must be able to communicate effectively,' says ACCA student and prizewinner Heidi Monahan who, as a semi-senior auditor with Grant Thornton, has to deploy a range of communication skills in her work. Heidi plans, leads and supervises audits, resolves audit issues, prepares reports, and leads and develops junior staff. The skills she uses in practice are common to many other sectors, where accountants must listen to the needs of others, present information, and be persuasive when recommending a course of action. So what strategies does Heidi employ?**

### THE ART OF LISTENING

'Many professionals find listening a hard skill to master – if you are usually asked to give advice, then you can spend most of your time speaking rather than listening. At Grant

Thornton we are specifically trained to listen – how can we give our clients insightful advice if we don't understand their needs and concerns? Finance professionals who focus more on this skill can give a much more distinctive service.'

### SPEAKING OUT

'Although I use a variety of methods, I find face-to-face communication always the most beneficial when dealing with clients, but this demands good speaking skills. I think students should start developing speaking skills as early as possible, by making presentations or taking part in public speaking, for example. At Grant Thornton, we place great emphasis on these skills as they are essential if we are to develop strong relationships with our clients.'

### PERSUASIVE ARGUMENTS

'Accountants must be able to communicate their point of view or present advice, and as different situations demand different approaches, different methods must be understood. For example, I find it effective to give suggestions when giving advice – I state my point of view and the reasons behind it, and then suggest a course of action. I then give clients or colleagues time to consider my arguments, often finding that they concur with my suggestions as a result.'

### COMMUNICATING WITH COLLEAGUES

'Good communications skills are just as vital when working with colleagues as with clients. Good communication results in good teamwork, but as a

**'GOOD COMMUNICATIONS SKILLS ARE JUST AS VITAL WHEN WORKING WITH COLLEAGUES AS WITH CLIENTS'**

team leader, I must also be able to communicate with junior colleagues in a way that encourages them to learn, develop and achieve their potential. These are the skills that will further our own career progression, enabling us to become the leaders of tomorrow.'

### ACCA ADDS:

For ACCA qualifications development manager Gareth Owen, students should actively seek to develop their listening, speaking and persuading skills alongside their technical ability and ethical awareness.

'Heidi's comments are relevant to all students, whether in practice or not, as all accountants need to interact with a range of stakeholders in order to do their job, to coordinate, motivate and develop their juniors and peers, and to support their employer.'



'It's useful to break down the broader concept of "communication" into the skills of speaking, listening and persuading, as accountants need to understand and demonstrate all three in order to perform their role effectively.'

In particular, the ability to develop persuasive arguments and make recommendations is vital. Any stakeholder – whether client, customer or colleague – will be far more receptive to an idea if persuaded of the benefits of a suggested course of action from their own point of view, rather than being 'told' to do something. As a result, the skills of speaking, listening and persuasion are key leadership traits, and can certainly contribute toward career progression and personal fulfilment.

## STUDENT ACCOUNTANT ESSENTIAL GUIDE AVAILABLE ONLINE

All three editions of the October 2012 *Student Accountant Essential Guide* are now available to download in PDF format from ACCA's website.

There are three separate editions available:

- Paper F1 to F3 and Foundation level
- Paper F4 to F9
- Paper P1 to P7

Each magazine contains a range of useful information, technical articles, exam support articles and examinable documents relevant to each stage of study.

**ACCESS THE OCTOBER 2012 ESSENTIAL GUIDE** ►





# SECTOR FOCUS: OIL AND GAS

**World energy is a complex environment affected by technology, economics and politics. Although advances are being made with future energy sources such as wind, water or nuclear power, the oil and gas sector is as relevant as ever – and is an exciting and challenging place to work. It can take you anywhere in the world and the financial rewards can be impressive.**

‘Accountants play a vital role in the oil and gas industry, both in public practice and in industry,’ says Richard Bathgate, a senior manager in the PwC deals team based in Scotland. ‘In industry, accountants are involved in all stages of the field life cycle: investment appraisal, preparing revenue and capital expenditure budgets, monitoring actual spend against budget and reporting to management.’

‘In public practice, accountants advise and work with clients on everything from raising equity to conducting audits. The range of services is enormous and can include tax compliance and planning, due diligence for deals, corporate finance work and even forensic accounting.’

‘While there have been a number of companies exhibiting symptoms of distress, such as working capital pressures, companies focused on the upstream oil and gas sector have generally enjoyed greater access to credit and been able to raise more funds from investors than companies in other sectors, such as retail or construction.’ This is likely because the demand for oil and gas has remained strong throughout the economic crisis.

‘Although supply from shale discoveries has depressed prices due to increased supply, the price of oil and gas has generally remained above the marginal cost of production, making investment in new projects economically viable,’ explains Bathgate. ‘This has meant that exploration and production companies continue to drill new wells and service companies continue to enjoy growth, even though the wider economy continues to struggle.’

Deloitte’s 2012 Oil & Gas reality check report considered the potential impact of trends that emerged in 2011 and gives a useful insight into global regions where work in the sector will be bountiful if sometimes not for the faint-hearted – namely, Libya, with its evolving political landscape, Iraq, with its increased stability, and Brazil, with its emergence as an industry player.

‘It is expected that an increase of output by non-OPEC nations will make up for rising demand in 2012 – and while Iraq and Libya will undoubtedly play a major role in the global oil industry, both countries have obstacles to overcome that will likely have a major impact on the market in the year ahead,’ says Carl Hughes, Deloitte’s global head of energy and resources.

However, as PwC noted in its publication, *Northern Lights – A Strategic Vision of Aberdeen as a World Class Energy Capital*, the greatest challenge facing companies in the sector is a shortage of skilled workers.

Bathgate advises any would-be accountant considering a career in the energy sector to ‘always be enthusiastic!’ A positive attitude will take you far. ‘In terms of skills, I think strong communication skills are the most important non-technical skill an accountant can have. Strong technical skills are almost taken for granted but if you can’t talk to your clients and build strong relationships with them, they’ll easily get good technical advice elsewhere. It’s the relationships you build with clients that will keep them coming back to you.’

You also need to be aware that there are very specific skills you will need to have in order to have a real understanding of how to manage budgets for big cost R&D when return for investment may be some way down the line.

‘Budgets in oil and gas are huge, regularly running into the many millions of pounds and often into the billions, so investment decisions require robust financial modelling,’ says Bathgate. ‘Models are often based around a number of key assumptions, so changes in tax rates and the price of oil can have significant consequences to project outcomes, including making a project unprofitable where it once appeared to have a good profit margin. Making decisions for the long term requires stability and confidence in the future.’

**What sector would you want us to focus on next?**

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# LEAD FROM WHERE







# YOU ARE

WHY YOU NEED TO HAVE  
SECOND-TO-NONE MANAGEMENT  
SKILLS – WHATEVER YOUR ROLE –  
AND HOW TO GET THEM

**While finance professionals have a vital role to play in helping companies understand their financial health, the importance of everyone to show good leadership and management will further help company performance, future growth and economic prosperity.**

As leadership expert John Kotter said in *What You Need to Know About Leadership* by Liz Fisher and Jeff Grout: 'Successful companies don't wait for leaders to come along. They actively seek out people with leadership potential and expose them to career experiences that are designed to develop that potential.'

Yet not everyone is getting it right. A 2012 paper from the Department for Business, Innovation & Skills Leadership and Management Network Group puts forward the arguments for business investment in leadership and management skills.

The research showed that ineffective management is estimated to be costing UK businesses over £19bn per year in lost working hours. Nearly three-quarters of organisations in England reported a deficit of management and leadership skills in 2012, which contributes to a productivity gap with other countries

**'INEFFECTIVE MANAGEMENT IS  
ESTIMATED TO BE COSTING UK  
BUSINESSES OVER £19BN PER YEAR IN  
LOST WORKING HOURS'**

including the US, Germany and Japan.

Analysis by UKCES has shown that management skills are crucial to ensuring high performance working and business success. Organisations with a more qualified management workforce and a dedicated programme of management development have been shown to perform better and have more sophisticated and higher quality product and market strategies.

There are, of course, certain roles within accountancy and finance where leadership skills are an obvious prerequisite, such as a financial controller, or a finance manager, but it is the size of the company and organisational structure that prescribes whether there will be a likelihood of managing a team – so you may work in payroll, tax or audit and still need to manage well.

‘Depending on the role, the importance of specific managerial and leadership capabilities can make all the difference,’ says Phil Sheridan, managing director, Robert Half UK. ‘Some roles are looking for a hands-on manager, one who is successful at completing the work and managing a team at the same time. In other cases, the role may be looking for a full-time manager, where leadership will be the number one consideration for the individual. Understanding the job description

and what kind of manager they are looking for before the interview will make a difference.’

What is more, according to Brodie McDougall, director, Michael Page Finance in Australia, ‘Potential employers will want to attract the best talent and demonstrating strong leadership and vision is particularly important, especially in the current market.’

So if being able to manage a team is so important, how can you best show you have the skill at the interview stage?

‘It is important to provide specific examples of your management experience and key areas to discuss in the interview include how you have managed underperforming staff and how you have personally influenced the fast-tracked development of a staff member beneath you,’ Brodie advises.

‘[Candidates] should cite specific examples of how they have approached managing a team,’ continues Sheridan. ‘That is, how they set performance metrics for individuals and the group as a whole. If relevant, they should mention how they have coached individuals to reach their full potential. If they are able to link this to specific return on investment examples, including how the team saved the company money or improved efficiencies, then the candidate will be in a strong position.’

The good news is that you will probably have already picked up management experience throughout your studies. ‘In most situations, whether gaining a qualification through a public practice firm or in industry, by the time you are qualified, you generally have some managerial experience – whether it is leading a client audit or managing an operational accounting team,’ says Sheridan. ‘Demonstrating this experience in a CV and interview is of key importance. Employers are looking to see that the candidate is able to cope under pressure and respond to multiple interview styles and questions – for example, panel interviews or presentations.

‘However, it is always good practice to improve and upgrade your skills, even before you start your job – whether technical or soft skills such as managerial. Most companies will have professional development programmes, so obtaining proper experience – both through education and hands-on activities – is essential, whether through your qualification body or other training.’

While good management is crucial for your own career progression as well as the success of your organisation, bad management can make a similarly high impact.

‘There are three pitfalls of management that should be avoided: hypocrisy, complacency and inconsistency,’ says Brodie. ‘When a manager demonstrates any of these traits, it can cause discontent in the team and result in staff turnover.

‘To manage these issues, it is important that the leader is honest with their team (about showing any of these traits) and implements a plan that will help them better their performance as a manager.’

**Beth Holmes is a freelance journalist**

**‘IN MOST SITUATIONS, WHETHER GAINING A QUALIFICATION THROUGH A PUBLIC PRACTICE FIRM OR IN INDUSTRY, BY THE TIME YOU ARE QUALIFIED, YOU GENERALLY HAVE SOME MANAGERIAL EXPERIENCE – WHETHER IT IS LEADING A CLIENT AUDIT OR MANAGING AN OPERATIONAL ACCOUNTING TEAM’**

## KEY SKILLS FOR MANAGING A TEAM

- ▣ Ensure everybody knows their role
- ▣ Set clear goals and communicate them
- ▣ Put in place clear lines of communication
- ▣ Clarify lines of responsibility
- ▣ Involve all team members in decision making as much as possible
- ▣ Introduce ways to manage and resolve differences
- ▣ Learn how to lead effective meetings
- ▣ Encourage training and personal development
- ▣ Build in regular reviews
- ▣ Be a ready and willing listener
- ▣ Encourage and promote diversity
- ▣ Motivate team members
- ▣ Reward initiative

'THERE ARE THREE PITFALLS OF MANAGEMENT THAT SHOULD BE AVOIDED: HYPOCRISY, COMPLACENCY AND INCONSISTENCY'



# TACKLING PERFORMANCE OBJECTIVES

## PO 19:

### EVALUATE AND COMPUTE TAXES PAYABLE

**All finance professionals need to be well-grounded in the fundamentals of taxation. This starts with developing the ability to calculate taxes of all types for individuals and organisations, in line with current legislation.**

You will need to be aware of potential tax liabilities and their implications, be able to identify and collect relevant data, ensure calculations and returns comply with legal requirements, and keep up to date with changes to those requirements. You should also be able to help individuals and companies plan for tax and identify relevant compliance issues in different scenarios.

To effectively demonstrate your competency, you might:

- ▣ prepare computations of revenue taxes for individuals, capital taxes, and taxes for incorporated businesses
- ▣ report to the tax authorities on payroll taxes, and to relevant authorities on sales taxes
- ▣ communicate with the tax authorities on issues arising from the submission of tax correspondence
- ▣ understand (and, where necessary, communicate) the obligations of tax payers (your organisation or clients), including deadlines, procedures and penalties for non-compliance.

The next step is to answer the challenge questions for this objective:

- ▣ Outline your experience in evaluating and computing taxes payable.
  - As well as your own specific responsibilities, describe the various types of tax you have had experience of in computing, along with the types of taxpayer, categories of tax and which tax jurisdictions.
  - If you have been involved in completing periodic tax returns (for example, quarterly or annual), you might explain where you sourced data or relevant correspondence records, how you used that information and at what point your work was handed over to a colleague or client.
- ▣ How have you ensured that the information you have used is complete?
  - Consider how you checked that relevant data was prepared in line with appropriate accounting standards, or that dates in which accounting records fall are in line with the dates against which tax needs to be computed.
  - If you have created, or helped to create, specific systems (which could be as simple as a bespoke spreadsheet) to help analyse and classify the data, state the

purpose of the systems and your involvement in their creation, implementation and/or training.

- ▣ How have you ensured that your information is made best use of by the organisation?
  - This could be as simple as ensuring your client or employer is compliant with regulatory requirements, including deadlines.
  - If you liaised on behalf of your client with tax collection authorities, you could detail how your communications helped the organisation avoid penalties previously incurred as a result of non-compliance.
  - Consider activities you may have undertaken to ensure you stay up to date with taxation regulations – for example, reading relevant newsletters or technical journals, liaising with technical colleagues, client tax or finance teams, or external consultants, or attending relevant training courses.
  - If your role involves keeping others updated on changes to regulations, state who those people are, in what way they rely on your knowledge, how you communicate with them, and the steps they might take as a result.

PO 19 is linked to Paper F6, *Taxation*, and Paper P6, *Advanced Taxation*.



PERFORMANCE OBJECTIVES ARE ACCA'S BENCHMARKS OF EFFECTIVE PERFORMANCE AND SET THE MINIMUM STANDARD OF WORK THAT YOU ARE EXPECTED TO ACHIEVE AND DEMONSTRATE IN THE WORKPLACE. IN THIS ISSUE, WE ROUND OFF OUR SERIES BY FOCUSING ON THE REQUIREMENTS OF POs 19 AND 20

## PO 20:

### ASSIST WITH TAX PLANNING

**To be a fully-rounded finance professional, you need to be able not only to calculate and communicate tax liabilities but also apply your knowledge, skill and professional judgment to advise individuals and organisations on how tax impacts on the decisions they take. This requires a more detailed understanding of a range of taxes, so that you can advise on the efficient management and minimisation of tax liabilities.**

In practice, this will involve effective provision of information about tax liabilities and payments (verbally and/or in writing), discussion of any changes or developments that may have tax implications, forecasts of future tax payable and the cashflow effects, provision of support to clients or your employer's management to ensure the best possible future tax position, and an awareness of the potential impact of all taxes.

To effectively demonstrate your competency, you might:

- ▣ inform clients or management of their tax liabilities and any issues arising
  - ▣ provide reminders of due dates for submission of tax returns/ payment of tax liabilities
  - ▣ review the implication of changes in tax rates for individuals or companies
  - ▣ evaluate the tax implications for the future plans of individuals or companies.
- The next step is to answer the challenge questions for this objective:
- ▣ Outline your responsibilities in assisting with tax planning. Detail from start to finish your role in the planning process, from listening to the needs of your client or employer and carrying out relevant research, through to evaluating the tax implications of different decisions or courses of action, and communicating your findings to relevant stakeholders. If your work involves tax planning for individuals, such as company directors, landowners or other high net-worth individuals, detail the factors you may have had to take into account, such as distribution of domestic and overseas property, family circumstances, investment portfolios and ownership of businesses. If the organisation was implementing a redundancy programme, detail your planning work to help management weigh up the tax implications – for the organisation and staff involved – of the available options.
  - ▣ How could some of the work you have done contribute

to providing advice in other situations? Perhaps the research you carried out into different jurisdictions – for the purposes of advising employers on optimum tax arrangements for expatriate employees – may subsequently have been used when the organisation was faced with a decision to relocate its head office overseas for tax purposes. Consider how work you carried out to help a client implement a new employee remuneration scheme might have helped your firm position itself to advise other clients of similar size or circumstances.

- ▣ How did your work improve the financial position of the company? Think about how the advice you gave may have helped a client or your employer to make the right decision regarding a new business opportunity, such as a relocation, acquisition or opening up of new branches. Perhaps the organisation being advised was considering a programme to raise cash through the disposal of land, property or subsidiaries – show how your work helped to realise best value while minimising capital taxes.

PO 20 is linked to Paper F6, *Taxation*, and Paper P6, *Advanced Taxation*.

# PER: YOUR QUESTIONS ANSWERED

HOW CAN I CONVINCE MY MANAGER TO GIVE ME WORK THAT WILL HELP ME MEET MY PRACTICAL EXPERIENCE REQUIREMENT (PER) GOALS?

Focus not just on your needs but on those of your employer too. How might your manager or the organisation benefit if you are given the experience you want?

Volunteering for project work (as others shrink into the background) is a useful way to gain exposure to tasks you might otherwise not be given. Be positive about the extra time – think how much closer you will be to meeting your goals.

Another tactic is to simply take work on without waiting to be asked. If you are aware that your manager has been asked for a particular report, why not gather the information that is needed? Better still, draft the report. Your manager may regard it as beyond your ability, or that it would be unfair to ask you. But presenting a *fait accompli* could earn you extra credibility, or reward your responsibility in the future.

More formal strategies need not involve your manager's input. Which of your colleagues might be open to being shadowed in action? It is a shortsighted manager who wouldn't see the benefit to the team of helping to upskill a keen member of staff. And as people usually like sharing their knowledge, coaching needn't be a 'big ask'.

Job rotations and secondments require more planning ahead but don't rule them out, particularly if people are on maternity leave or other long-term absences.

Once your manager has been persuaded that it is in their interest to give you additional tasks that will help you meet your initial performance objectives, it will become much easier to plough through the remaining competencies you need to demonstrate. Only go to their manager as a last resort – it really is counter-productive as a regular tactic. If your supervisor really is afraid of you coming up through the ranks, your manager should shortly recognise your ability – if they don't already.



# WORKPLACE MENTORS

**For many students, finding a workplace mentor – someone who is (ideally) your direct line manager and who is willing to invest time to help you – can be a major hurdle. Yet this needn't be so.**

## WHAT IS IN IT FOR ME?

It is much easier to put together a convincing case if you can view the mentoring relationship from the perspective of your potential workplace mentor as well as your own.

Clearly, you have a strong motivation for completing your PER – attaining membership of ACCA. But what might a workplace mentor stand to gain?

- ▣ Few people are 'born managers' – but mentoring helps many people to develop skills that will stand them in good stead should they be promoted to a supervisory role. These might include prioritising and time management, as well as effective evaluation of the performance of others. And in mentoring sessions, mentors develop more than just listening skills – they also learn how to identify and ask the right questions too.
- ▣ By taking on the role of workplace mentor (which may appear to

have little obvious direct impact on performance of their own tasks), they will demonstrate a degree of commitment to their employer. However, this might require a more subtle or diplomatic approach – you don't want to suggest that your potential workplace mentor has a reputation for being disloyal to the company, or that choosing not to be your workplace mentor would give the impression of being uncommitted.

- ▣ If your potential workplace mentor is an ACCA member, their mentoring activity may well count towards their annual CPD requirement if it helps them to acquire new and relevant skills, and if proper records are kept. If he or she is a member of another IFAC body, the same is highly likely to be true. People in non-finance roles who are members of other professional or chartered bodies (for instance, people in payroll, credit management, procurement, HR or training) may also find that mentoring you would satisfy their CPD requirement.
- ▣ Mentors may win recognition from senior management through helping you with your professional development. If their mentoring is both effective and visible, the

organisation may well keep them in mind when succession planning. Think back to practical experience of your own that will help you illustrate how acting as a sounding board or informal coach for a colleague or associate (or even a friend, a family member or someone you have met through volunteering) enabled you to develop in ways you have been able to make use of in the office.

## NOW WHAT?

Read through your nine Essentials performance objectives and the four Options ones you have chosen, including the activity examples. Think about related tasks that you could undertake while striving to complete your PER. What questions might your potential workplace mentor have? Arm yourself with relevant answers before making your approach. Jot down a loose timeline with some suggestions of targets to aim for on your way to achieving each performance objective.

You can use the development plan section on *My Experience* to help. This will help your workplace mentor get a better sense of how much of their time may be required, as well as the professional judgment they will be expected to exercise. All the while, keep looking for and reminding them of the benefits they will enjoy.

**Find out more about *My Experience* and the practical experience requirement at [www.accaglobal.com/en/student/Experience.html](http://www.accaglobal.com/en/student/Experience.html)**

**IF YOUR POTENTIAL WORKPLACE MENTOR IS AN ACCA MEMBER, THEIR MENTORING ACTIVITY MAY WELL COUNT TOWARDS THEIR ANNUAL CPD REQUIREMENT**



# THE PROFESSIONAL ETHICS MODULE

## WHAT'S INVOLVED?

ALONG WITH PASSING YOUR EXAMS AND FULFILLING ACCA'S PRACTICAL EXPERIENCE REQUIREMENT, IT IS NOW MANDATORY FOR ALL STUDENTS TO COMPLETE THE PROFESSIONAL ETHICS MODULE BEFORE QUALIFYING AS AN ACCA MEMBER. WE CONTINUE OUR SERIES IN WHICH WE PROFILE MEMBERS AND STUDENTS WHO HAVE ALREADY COMPLETED THE MODULE AND DISCOVER HOW IT WILL BENEFIT THEM IN THEIR FUTURE CAREERS



### THAN SHU FENG

ASSISTANT MANAGER (COST ACCOUNTING)  
SINGAPORE AIRLINES CARGO PTE LTD

**Q Why did you decide to take the Professional Ethics module when you did?**

I believed that it would strengthen the knowledge I obtained when studying Paper P1, *Governance, Risk and Ethics*, and provide an all-round understanding of how to apply ethics to your career.

**Q Did you have any preconceptions of the module before you attempted it?**

No. I simply saw it as a worthwhile learning experience as I believe to be a 'good' accountant, you need to be professional and ethical. The module definitely helped to underline what I had learnt

for Paper P1 and how to act ethically in the workplace.

**Q Having completed the module, how do you think this will help you in the future?**

The module exposes you to many different legal regulations and concepts, which helps ensure accountants work in the public interest. The module also emphasises the fundamental principles and codes of conduct that act as a framework to follow when you encounter – and have to deal with – ethically conflicting situations at work.

**Q You can access the module again in the future – do you think this will help you?**

Yes. It will be useful to be able to refer back to the professional codes of ethics at any time for extra guidance whenever it is required.

**Q Now that completing the Professional Ethics module is mandatory for all students, what advice do you have for them when they approach it?**

I believe that undertaking the module as part of their eventual progression to membership is a positive thing. Personally, I enjoy knowing more about the principles and using the framework of ACCA's fundamental principles to deal with ethical dilemma situations.

The International Ethics Standards Board for Accountants (IESBA) principle-based framework is a particularly useful reference and helped me in the case study. These case studies demonstrate prospective real-life workplace ethical dilemmas that students should be aware of and how to deal with them in a professional manner.

**'I BELIEVE TO BE A "GOOD" ACCOUNTANT, YOU NEED TO BE PROFESSIONAL AND ETHICAL'**

**Find out more about the Professional Ethics module, and how to complete it ►**



**ACCESS THE  
VIDEOS NOW!**

# KNOW THE FACTS

ACCA HAS PRODUCED A SERIES OF VIDEOS THAT WILL GUIDE YOU THROUGH ALL THE THINGS YOU NEED TO KNOW AS AN ACCA STUDENT



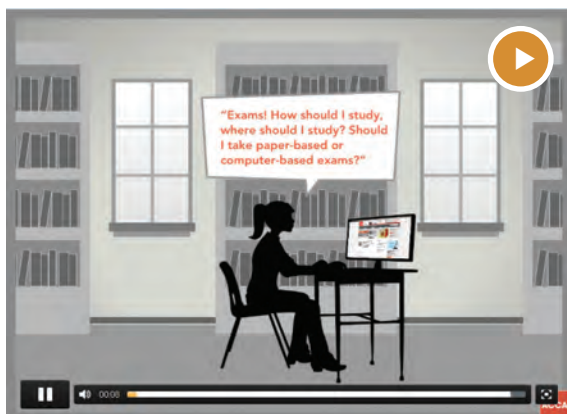
## HOW TO GET STARTED

In this video you will learn about myACCA, your personal online ACCA account, which you should visit regularly for as long as you are a student. You will also find out what to look for when deciding on tuition and what valuable resources are available to you.



## HOW TO GET EXPERIENCE

Becoming a qualified accountant doesn't simply mean passing the exams – you have to get practical experience to go with it. In this video, you will learn the importance of practical experience, ways you can gain it and how to record it.



## HOW TO PASS EXAMS

In this video you will get advice on searching for a tuition provider. You will also find out the different ways you can sit your exams – as well as when to enter for them. Want to get a BSc Degree in Applied Accounting from Oxford Brookes University without doubling your workload? You will find more details here.



## HOW TO BE PROFESSIONAL

We don't just want good accountants, we want accountants who are good and who are both professional and ethical. In this video you will learn about our professional ethics modules and also what awaits you once you have completed your exams, gained your experience and become an ACCA member.