

PCEF guidance notes

**Area A –
Professionalism
and ethics**

Area A – Professionalism and ethics

Unit PC1 – Uphold professional ethics, values and standards and demonstrate personal and professional development

This unit is about upholding professional ethics, values and standards as well as maintaining personal and professional development through a commitment to lifelong learning. It is concerned with maintaining professional integrity and objectivity as well as complying with regulations and guidelines for professional conduct. It expects you to adhere to high standards of professional conduct and act in the public interest at all times.

Element reference	Demonstrated behaviour and examples
Element PE1 Uphold professional ethics, values and standards Click here to view examples	<ul style="list-style-type: none">• Maintain an awareness of the standards of professional conduct that relate to your role as an accountant and keep up to date with any changes• Ensure compliance with standards and regulations that apply to professional activities and report instances of non-compliance or where you suspect fraud or other illegal behaviour by others, to the relevant authority• Maintain a professional distance and demonstrating professional objectivity, integrity and scepticism in all contact with others• Avoid or terminate relationships that put your professional integrity at risk• Promote quality in all your activities and demonstrate a commitment to the public interest
Element PE2 Maintain an awareness and understanding of changes affecting the profession Click here to view examples	<ul style="list-style-type: none">• Identify and utilise a wide range of sources of information to ensure you keep up to date with changes affecting the profession• Keep a record of information gathered• Apply up to date knowledge in your day to day activities• Discuss your understanding of changes affecting the profession with relevant people• Read relevant literature and up to date information• Attend in-house or external technical update sessions• Prepare a seminar on recent changes for colleagues or clients
Element PE3 Demonstrate a commitment to your personal and professional knowledge and development Click here to view examples	<ul style="list-style-type: none">• Take responsibility for your own learning and development• Attend development events outside your specialist technical area as part of a programme of development• Seek feedback and reflect on your contribution and skills in order to continually improve your performance• Regularly assess your own current level of competence and knowledge• Carry out suitable learning and development activities• Apply your learning in the workplace and review its effectiveness• Discuss your development and progress with your mentor/senior colleague on a regular basis

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Element PE1 – Uphold professional ethics, values and standards

EXAMPLE 1

I had a discussion with the firm's partner who is my line manager around succession planning. He was keen for me to become a partner as another partner was retiring. However, I remembered from my time as a student, that a tutor had mentioned about how you had to hold a practising certificate to become a partner or director in a public practice. I mentioned this to my partner when discussing my development plan towards this. Following the meeting, I called the ACCA technical helpline who advised me that this was correct. Through their referral, I familiarised myself with the ACCA Rulebook and enquired around my exam results to ensure my exam variants were correct. Following this, I explained to the partner that I had to obtain my practising certificate before engaging in public practice. He assured me this would not affect my future prospects.

One of my clients in the retail sector was looking to sell their business and had been in talks with a potential buyer. When I sat down with the client it became apparent that they had potentially presented a false picture of the business' profits during the previous financial year. The client asked if it would be possible for me to 'inflate' the previous year's profits in order to make the business more appealing to the potential buyer. I advised the client that this approach was unethical. The client did not understand the issue with this request and maintained that what they were asking was not unethical.

We arranged to have a further meeting the next day. Before this took place I met with my principal, who acts as the firm's money laundering officer, and explained what had happened the previous day. He agreed to sit in with me during our meeting later that day and he explained that he would consider his duties.

During this meeting the client continued to ask that we present a distorted view of his business accounts in order to make it seem as though the business was more profitable than it actually was. My principal reiterated what I told the client the previous day and that the firm would not be able to continue representing them if they insisted on changing figures. The client remained steadfast in their request and it was decided during the meeting that the firm would no longer act on behalf of the client and our engagement was terminated.

This was my first experience of dealing with a client who would not accept my advice and it was a challenging experience. My principal spent time with me afterwards and offered me some advice on how to deal with difficult clients. I also decided to attend a course in my own time on how to improve my communication skills. Overall this was a useful learning experience. This further enhanced my knowledge of money laundering requirements through the firm's annual training requirements for all staff in the firm.

EXAMPLE 2

My Learning and Development team sent me information to complete as part of an ACCA Approved Employer monitoring visit. I had to complete a form indicating my role as a mentor to our ACCA trainees. I had to explain how I worked with my trainees as their mentor, to ensure appropriate work experience and objectives to achieve their ACCA membership. Also, I had to complete a member's declaration form, which required me to confirm my CPD requirements and answer questions regarding my position in relation to the practising certificate. Although I was completing my PCEF I was not fully aware of why it was needed, so I visited the ACCA website to read up on the practising regulations and learned about the restrictions on carrying out public practice without a practising certificate.

Two of my firm's clients were exploring a potential merger. As we represented both clients it was important to ensure that confidentiality was maintained at all times. I was responsible for making sure that the internal procedures in this area were followed including liaising with our compliance director to ensure ethical barriers are in place. I also supervised some junior members of staff who had no previous experience of this kind of work.

One of these clients, in the supermarket industry, asked if it would be possible to report income in a different quarter to the associated costs. I advised the client that I would need to look into the transactions they are discussing.

I undertook some background research in to this matter and I also alerted my principal to what had been asked. They agreed to sit in with me during our next meeting and gave me some feedback in to the areas I needed to cover with the client.

During our next meeting I highlighted the issues associated with what the client had asked me to do and we agreed that it was not an appropriate course of action. I outlined how we would present the information in terms of his company's financial position to the firm that they were exploring a potential merger with and the client agreed with this approach.

This was the first time that I had been asked to present information in this way and I had to undertake a lot of research in to this area in order to comprehensively feedback to the client about why it would not be appropriate for the firm to present information in such a way. I learned a lot from this experience and my principal also gave me feedback on how to handle larger clients.

EXAMPLE 3

I attended training organised internally on how to ensure confidentiality of information within my organisation. In the finance department there are several organisational and legal requirements that have to be adhered to at all times. In addition, there were new requirements in order to comply with current GDPR legislation. In order to ensure that these policies and procedures were followed my company decided to set up a task force internally. I put myself forward for this and was then involved in ensuring that these new procedures were embedded into our existing processes. I then arranged for members of staff to attend several focus groups on these areas to make sure that they were confident in how to comply. I also then arranged for periodic updates to be issued to maintain on-going compliance.

Within my large financial department there were several control weaknesses identified by our external auditors. It was my responsibility to investigate these issues and report back to the relevant managers in order to consider where changes are required.

Through these weaknesses I also identified any training gaps to mitigate future errors or omissions. Over time this did help reduce the number of recurring issues that arose. This was a new experience for me that I took on in addition to my day to day role, I enjoyed being the main point of contact for queries relating to confidentiality and rolling out appropriate on-going training to staff.

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Element PE2 – Maintain an awareness and understanding of changes affecting the profession

EXAMPLE 1

I undertook several CPD courses including an ACCA Saturday conference and ACCA's online CPD courses, to develop my existing knowledge and also to cover topics that, as yet, I had not much exposure to. I spoke to my principal about becoming more involved in the tax work undertaken by the firm and it was recommended that I attended some courses initially and then undertook some reading before shadowing a colleague who has more responsibility in this area. One of the Saturday conferences provided changes to tax legislation which allowed me to enhance my knowledge to enable me to work on specific tax assignments we discussed. I spent half a day a week working with a colleague on tax planning, especially inheritance related work for clients engaged by the firm.

I recorded my CPD evidence on the online recording tool within *myACCA*. I also spoke to senior employees within the firm about my on-going development; they recommended some external CPD courses for me to attend and some literature to read on an ongoing basis (*Accountancy Age*, *Accountant in Business*). I spoke to my principal about attending a course on FRS 102 and 105, it was agreed that I could attend this course and I was asked to give a presentation on the key learnings that I took from this course and feed it back to the rest of the firm. The firm have now adopted this approach across all CPD activities whereby one or two members of staff will attend a relevant course and will then present the key points back to other staff.

EXAMPLE 2

The firm were looking to introduce a modern apprenticeship scheme and set up a project team to establish the new training scheme. I was part of this project and responsible for gathering information about what requirements the firm would need to satisfy in order to run this scheme and ongoing requirements. I attended a CPD conference organised by ACCA which covered the new funding options for modern apprenticeships and the competency framework, and I was able to feedback to the project team and also use towards my annual CPD requirement. The firm also asked an external consultant to come in and speak to the project team and answer any questions. We were then able to roll out the apprenticeship scheme within the firm and currently have five apprentices working in different areas. I also attended several audit update courses.

The firm were looking at introducing a CPD evidence recording tool for staff and I was part of the team who undertook the initial scoping of what the tool needed to provide and the testing before the product was rolled out to all staff. Following this roll out I became a point of contact for staff whom had any questions about how to use the new tool. All staff are now required to record their CPD activities in this new tool for both verifiable and non-verifiable units. Each manager will undertake a check of their direct reports each quarter to ensure that members of staff are on track to complete the appropriate amount of CPD for the year. This new approach was somewhat different to what was done previously and it did take some time for it to bed in completely, however, a lot of positive feedback has been given about the tool and the accessibility of previous records.

EXAMPLE 3

I attended a three day course on potential changes to the accountancy profession due to the introduction of artificial intelligence. This course was very involved and interesting and I learned a lot from it. This was an area that I had never previously researched or been particularly interested in but this course changed that.

My employer provides access to several courses and webinars, most of which are held within the organisation and are run by the training department. The organisation has procedures in place to ensure that members of professional bodies meet the CPD requirements in place and we are responsible for ensuring that we record evidence of our CPD courses. I use the evidence recording tool on *myACCA* to retain my evidence and I keep a regularly updated record of courses that I have attended, reading undertaken and planned activities for the future.

We also have regular 'lunch and learn' sessions within the company which cover various technical areas, I often spend my lunchtime presenting on a course I have attended or listening to a presentation from a colleague. This has proved to be a very useful and effective tool in knowledge sharing and has become a more frequent occurrence for several staff members. We also have monthly team meetings to help ensure that everyone is kept as up to date as possible with any changes that might impact their area of work and discuss what changes we might need to make to our current procedures in order to adapt to these changes.

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Element PE3 – Demonstrate a commitment to your personal and professional knowledge and development

EXAMPLE 1

It is my responsibility to ensure that CPD undertaken is both relevant to my current role and also useful for my future career aspirations. I regularly review the firm's internal courses and ACCA's CPD event calendar in order to identify courses to meet these requirements. The firm had scheduled a specialist course for the tax planning team which was scheduled to take place in our offices. As I was not based in this department the course was not initially offered to me. As I was looking to develop my skills and knowledge in this area I asked my principal if I could attend and he agreed. I was scheduled to take on a six month secondment to the tax planning team and this course was very useful to my development in this area. I was then able to apply the learning from the course to my new seconded role.

One of my first clients in this new role was looking to retire and I was able to assist them with the planning of this to be as tax efficient as possible. This involved discussing with the client around sale of his business, and as this involved family members I had to consider arm's length transactions.

A feedback questionnaire is sent to a client upon completion of each job, all returned questionnaires are discussed with my line manager and action points are noted in order to improve my performance. The client above gave positive feedback to the firm on my knowledge and assistance, especially around his inheritance planning which was of great importance to not just him but his whole family.

EXAMPLE 2

The firm has a comprehensive appraisal process which requires each individual to analyse their own performance and a 360 degree review undertaken by peers within the department. We need to ask 10 people within the department to provide specific feedback on our performance for the last year, this feedback and our self-analysis is then discussed with a manager at the end of each performance year. For any gaps or issues identified an action plan is drawn up.

As part of the firm's identification process for future partners I was selected to take part in the firm's Future Leaders Program. This involved attending specific courses covering client engagement, business networking, delegation and monthly mentor meetings. I also attended an ACCA course on a leadership development program in order to develop my leadership skills and adapt to a fast changing environment. I held regular meetings with my manager to ensure that I stayed on track with this program and hope to continue developing in this area and become a partner in the future.

EXAMPLE 3

I am required to ensure that my CPD activities are both relevant to my current role and to my future development. I discuss all my planned CPD with my manager during our quarterly one to one meetings and submit this to firm's internal training department to ensure compliance with CPD policy.

In the future, I hope to work in practice so I have committed to attending relevant courses available covering practice accounting, along with maintaining relevant CPD for my current role.

I was recently asked to implement the company's new procedures for pension clients. I had to undertake a lot of training around the legislation that was being introduced and then develop new processes for the company to deal with these clients. I used this additional research as part of my ongoing development as well.

I presented several seminars to staff to go over the changes in legislation and the changes that we have had to introduce to our procedures in order to comply with this legislation. I continue to be the point of contact for any enquiries in this area and I have also taken on several pension clients myself.

This was a completely new area for me and the extensive background research and training required to build this process has been very useful for my continuing development.