Foundations in Professionalism
This article explains why ACCA is launching a Foundations in Professionalism module within the Foundations in Accountancy suite of qualifications in December 2011 and describes what it contains and how it works.

Introduction
In recent years the importance of professionalism and ethics in accountancy has grown due to a series of corporate and accounting scandals. In response, the accountancy profession globally has introduced and embedded ethics and professionalism as core areas of accountancy education and training. The International Federation of Accountants (IFAC) has introduced an International Educational Standard on ethics for member accountancy bodies, but the need for greater emphasis on ethics and professionalism for technician and foundation level qualifications is also recognised and reflected in revised educational guidelines and occupational standards. As a consequence many professional accountancy bodies now include ethics and professionalism as a core part of their curriculum and within assessment strategies at all levels.

In December 2011 ACCA is introducing the Foundations in Accountancy (FIA) suite of qualifications to provide a flexible and relevant range of qualifications for the bookkeeping and accountancy technician sectors. As part of this, ACCA is also launching a Foundations in Professionalism online module (FiP). The FiP will be provided free of charge to all students.

The FiP is aimed at accountants who may be starting out on their careers, or at those who have been working for many years, but who have not yet qualified as professional accountants. The FiP is aimed at those working in any sector: the private sector, the corporate sector, the public sector, in financial services or for those working within financial shared service centres and BPOs.

The FiP is an essential component for any student taking any FIA qualification for the following ACCA qualifications:
• Introductory Certificate in Financial and Management Accounting
• Intermediate Certificate in Financial and Management Accounting
• Diploma in Accounting and Business
• Certified Accounting Technician (students registering after 1 January 2011)
• Foundations Awards in Taxation, Audit and Financial Management
What does FiP cover?
The FiP module is an interactive learning system which allows students to study and learn about a number of areas concerning professionalism and the module is structured as follows:

1. Introduction
2. Professionalism
3. Law and regulation
4. Professional ethics
5. Personal effectiveness at work
6. Personal values
7. Case study
8. Objective test

Each section of the FiP contains a range of interactive exercises and tasks to develop and consolidate learning and understanding. For example in the data and security section a hotspot type exercise as shown in the screenshot shown in Figure 1 below:

Figure 1: Screenshot of hotspot exercise on data security in Section 3
**Introduction**

The FiP begins with an introduction explaining the structure of the module and how it works. It also gives an overview of the decision-making structure that should underpin professional behaviour by describing a decision filter that accounting professionals should use to guide their behaviour, as shown in Figure 2 below:

**Figure 2: Professionalism and ethics decision filter**

- **Law**
- **Professional ethics**
- **Personal values**

**Professionalism**

The section on professionalism defines what it means to be a professional and what differentiates a profession from a vocation. It also explains what is meant by the public interest and how important this concept should be to accountants at all levels. This section also explains to someone who might be relatively new to the accountancy sector, how accountancy is governed and structured and describes the function and purpose of professional accountancy bodies and provides a timeline of when the main developments occurred in accounting history along with other interesting historical facts.

**Law and regulation**

The section on law and regulation contains several sub-sections relating to the following areas:

- Theft and fraud
- Bribery and corruption (including insider trading)
- Money laundering
- Data security
- Health and safety
- Filing and retention

Each sub-section defines requirements and offences under law which may affect accountants and bookkeepers and explains obligations accountants have to comply with and how it is important to abide by
laws that affect them at work. Each sub-section also explains how certain offences can be committed or prevented and how committing such offences can damage individuals, organisations and wider society.

Professional values
The next section of FiP covers the fundamental professional values from the IFAC code and the ACCA Code of ethics and conduct. The section revolves around the five fundamental principles:

- Integrity
- Objectivity
- Professional competence and due care
- Confidentiality
- Professional behaviour

The section explains what these mean, how these principles can be threatened and how these threats can be safeguarded against, using simple to understand real-life accounting related examples.

Personal effectiveness
The section on personal effectiveness covers the main areas in which accountants can work more effectively, particularly in relation to numeracy, literacy and time management and in working with others. The section covers appropriate methods of recording and presenting information, how to schedule work and how to communicate and cooperate with colleagues in their team or with people externally.

Personal values
The final section of the FiP focuses on personal values. These are the ethical or moral values that people use to make decisions where choices exist which already comply with the law and where fundamental principles of ethical behaviour and conduct are upheld. The FiP concentrates on distinguishing between two main perspectives or theories of ethics. The first is ‘duty to others’ (Deontology) which is about behaving in a way that is expected of an individual by society or acting in a principled way. The other theory known as ‘consequentialism’ (Teleology) is about acting in a manner where consequences are deemed more important than adhering to fixed principles, and where behaviour is determined by which action causes the most benefit and least harm to most of the people involved.
These two perspectives are then explored in real accounting related situations and contexts. Finally, this section introduces the learner to a framework for ethical decision making:

1. What are the relevant facts?
2. What are the ethical issues involved?
3. Which fundamental principles are threatened?
4. Do internal procedures exist that mitigate the threats?
5. What are the alternative courses of action?

This framework is then used in the next section of FiP as an approach to dealing with the case study.

The case study
The case study is the culmination of the FiP where students can apply what they have learned in all the other sections, to a professional situation at work where the accountant of a small service based business has to deal with a number of issues, starting with her suspicions that an employee in the organisation may be stealing money. The case revolves around the accountant facing choices about how to deal with her suspicions in the first place; who to confide in, who to report to, what to investigate, who to confront or who to seek advice from. Following an initial decision or choice of actions, the accountant faces further actions and choices and must make more decisions until the situation comes to a conclusion. The choices facing the accountant at each stage are dependent on the preceding decisions. Certain outcomes for the organisation are much worse than others, where decisions taken or conclusions drawn lead the accountant into further or unnecessary conflict or difficulties. Following an opportunity for reflection, the learner can go through the exercise again to learn from any mistakes they may have made and can take a different route through, perhaps leading to a better or more acceptable outcome.

The final test
The objective test is a short exercise of several short questions which requires the learner to demonstrate and apply their knowledge of the main contents of the module. Successful completion of the module requires the learner to have satisfactorily completed the test or to have demonstrated sufficient knowledge, which is to achieve 50% of the marks available. Satisfactory completion automatically registers the learner as having completed the FiP which is then written to their student record. If after finishing the test the learner is deemed not to have demonstrated sufficient knowledge, they are automatically informed of their weakest areas, so that they can be referred to these sections directly, to review the materials, re-work the end of section exercises and then take the final test again. There is no limit on the
number of times a learner can re-take the test, or on how many times a learner can access the module, even after they have successfully completed it. The only restriction on those who have successfully completed the module is that they cannot re-take the test to improve their performance. They will have no further access to the test from the point at which the successful completion of the module is automatically registered on their student record.

Summary
Professionalism is at the heart of all of ACCA’s mainstream qualifications. Globally there is an increasing emphasis on the need to integrate ethics and professionalism into accounting qualifications, both for professional qualifications and for Technician and foundation level qualifications, because everyone recognises the need for accountants working and studying, at all levels, to behave professionally and ethically. The ACCA Qualification already includes a requirement to complete a Professional Ethics Module and the Foundations in Professionalism module will now be introduced as an integral and mandatory element of the Foundations in Accountancy suite of qualifications to be launched by ACCA in December 2011.

FiP will be available from February 2011 and any student studying for any of the FIA qualifications, including students who register for the Certified Accounting Technician qualification from 1 January 2011, will be required to successfully complete it once, in order to obtain their certificates.

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For the latest information on the Foundations in Accountancy suite of qualifications, visit www.accaglobal.com/fia