



National Unit Specification

General information

Unit title: Professional Ethics for Accountants (SCQF 6)

Unit code: HX6F 46

Superclass: AF

Publication date: May 2018

Source: Scottish Qualifications Authority

Version: 02

Unit purpose

This unit is designed to give learners an opportunity to develop skills to understand the ethical responsibilities of an accountant working within the profession. It will allow learners an opportunity to analyse problems in order to form judgements about appropriate and inappropriate behaviour in an accounting environment.

This unit is primarily aimed at learners who are undertaking the National Progression Award in Accountancy.

Outcomes

On successful completion of the unit the learner will be able to:

- 1 Understand and explain the need to act ethically in the accountancy profession.
- 2 Explain the principles of ethical working practice and their importance in the accountancy profession.
- 3 Analyse the fundamental ethical principles which govern effective working in the accountancy profession.

Credit points and level

1 National Credit at SCQF level 6: (6 SCQF credit points at SCQF level 6)

Recommended entry to the unit

Access to this unit is at the discretion of the centre. No prior knowledge, skills or experience are required for a learner to access the unit.

National Unit Specification: General information (cont)

Unit title: Professional Ethics for Accountants (SCQF 6)

Core Skills

Achievement of this Unit gives automatic certification of the following Core Skills component:

Complete Core Skill	None
Core Skill component	Critical Thinking at SCQF level 6

There are also opportunities to develop aspects of Core Skills which are highlighted in the Support Notes of this Unit specification.

Context for delivery

If this unit is delivered as part of a group award, it is recommended that it should be taught and assessed within the subject area of the group award to which it contributes.

The Assessment Support Pack (ASP) for this unit provides assessment and marking guidelines that exemplify the national standard for achievement. It is a valid, reliable and practicable assessment. Centres wishing to develop their own assessments should refer to the ASP to ensure a comparable standard. A list of existing ASPs is available to download from SQA's website <http://www.sqa.org.uk/sqa/46233.2769.html>.

Equality and inclusion

This unit specification has been designed to ensure that there are no unnecessary barriers to learning or assessment. The individual needs of learners should be taken into account when planning learning experiences, selecting assessment methods or considering alternative evidence.

Further advice can be found on our website www.sqa.org.uk/assessmentarrangements.

National Unit Specification: Statement of standards

Unit title: Professional Ethics for Accountants

Acceptable performance in this unit will be the satisfactory achievement of the standards set out in this part of the unit specification. All sections of the statement of standards are mandatory and cannot be altered without reference to SQA.

Outcome 1

Understand and explain the need to act ethically in the accountancy profession.

Performance criteria

- (a) Explain why it is important to act ethically.
- (b) Explain how to act ethically.
- (c) Explain the importance of codes of practice/conduct.

Outcome 2

Explain the principles of ethical working practice and their importance in the accountancy profession.

Performance criteria

- (a) Explain the importance of acting with integrity.
- (b) Explain the importance of objectivity.
- (c) Explain the importance of behaving professionally.
- (d) Explain the importance of acting with due care and of being competent.
- (e) Explain the importance of confidentiality.

Outcome 3

Analyse the fundamental ethical principles which govern effective working in the accountancy profession.

Performance criteria

- (a) Distinguish between ethical and unethical behaviour.
- (b) Analyse a situation applying ethical principles to a situation.
- (c) Advise on an ethical course of action.
- (d) Describe when and how to report unethical behaviour by colleagues, employers, clients or customers.

National Unit Specification: Statement of standards (cont)

Unit title: Professional Ethics for Accountants

Evidence requirements for this unit

Evidence is required to demonstrate that learners have achieved all outcomes and performance criteria.

Outcome 1 — written/oral evidence

Learners are required to demonstrate that they can:

- ◆ Explain why it is important for an accountant to act ethically and the effect on the level of confidence that the public have in an organisations reputation and legal liability.
- ◆ Identify the consequences for accountants who breach ethical professional codes and the possible remedies (disciplinary action) available to deal with unethical behaviour. Learners should consider the impact of the reputational damage of breaches of ethical practice.
- ◆ Identify and explain specific actions which an accountant may take in order to behave in accordance with ethical principles.
- ◆ Identify and explain the importance of an organisations corporate culture and possible conflicts between the values of the organisation and the individual.

Evidence will be generated in open-book controlled conditions. Access will be limited to class resources. No access to internet resources should be permitted.

Outcome 2 — written/oral evidence

Learners are required to identify and explain the important principles of ethical behaviour in the accountancy profession by showing that they understand the meaning of the principles and the threats to those principles. The principles to be covered are:

- ◆ Integrity
- ◆ Objectivity
- ◆ Professional behaviour
- ◆ Competence and due care
- ◆ Confidentiality

Evidence will be generated in open-book controlled. Access will be limited to class resources. No access to internet resources should be permitted.

Outcome 3 — written/oral evidence

Learners are required to demonstrate that they can identify principles of, and threats to, ethical behaviour, by applying their knowledge.

The learner will be asked to:

- ◆ identify situations where there is pressure to behave unethically.
- ◆ develop a course of appropriate action to deal with these situations.

Evidence will be generated in open-book controlled conditions. Access will be limited to class resources. No access to internet resources should be permitted.



National Unit Support Notes

Unit title: Professional Ethics for Accountants

Unit support notes are offered as guidance and are not mandatory.

While the exact time allocated to this unit is at the discretion of the centre, the notional design length is 40 hours.

Guidance on the content and context for this unit

The unit is primarily intended for learners who wish to work within the financial services or accountancy profession where an understanding of the required ethical behaviour is essential. It is designed to develop learner's knowledge and skills for further study or employment within the financial services/accounting sector.

This unit is a mandatory unit for the National Progression Award in Accountancy but may form part of other group awards or it may be delivered as a stand-alone unit.

Where this unit is being delivered as part of the National Progression Award in Accountancy it is recommended that the delivery is integrated into other units in order to provide learners with understanding of the context of ethical behaviour.

The unit introduces learners to the principles and threats to ethical behaviour in organisations operating within this profession.

Guidance on approaches to delivery of this unit

It is recommended that this unit is delivered and assessed in the order of the outcomes. It is possible to assess all outcomes holistically. While it is not appropriate to access internet resources during the assessment of this unit, centres are recommended to use internet resources as learning materials along with textbooks and other resources.

It is recommended that those delivering the unit have experience of ethical practices in the profession and are therefore able to contextualise the learning for the learners using experience.

Guidance on approaches to assessment of this unit

Evidence can be generated using different types of assessment. The following are suggestions only. There may be other methods that would be more suitable to learners.

Centres are reminded that prior verification of centre-devised assessments would help to ensure that the national standard is being met. Where learners experience a range of assessment methods, this helps them to develop different skills that should be transferable to work or further and higher education.

National Unit Support Notes (cont)

Unit title: Professional Ethics for Accountants

Outcome 1

Understand and explain the need to act ethically in the accountancy profession.

The assessment of this outcome could take the form of short response questions based on short scenarios in the context of a professional accountancy job role.

Assessment for of this outcome should be carried out in open-book controlled conditions with the assessment event lasting around one hour. Access should be restricted to class notes and text books with no access to internet resources during the assessment event.

The use of formative assessments should give learners the opportunity to prepare for the summative assessment.

Outcome 2

Explain the principles of ethical working practice and their importance in the accountancy profession.

The assessment of this outcome could take the form of short response questions based on short scenarios in the context of a professional accountancy job role.

Assessment for of this outcome should be carried out in open-book supervised conditions with the assessment event lasting around one hour. Access should be restricted to class notes and text books with no access to internet resources during the assessment event.

The use of formative assessments should give learners the opportunity to prepare for the summative assessment.

Outcome 3

Identify the fundamental ethical principles which govern effective working in the accountancy profession.

The assessment of this outcome could take the form of short case study based questions in the context of a professional accountancy job role where the learner is asked to identify threats and possible course of action appropriate to the scenario.

Assessment for of this outcome should be carried out in open-book supervised conditions with the assessment event lasting around two hours. Access should be restricted to class notes and text books with no access to internet resources during the assessment event.

The use of formative assessments should give learners the opportunity to prepare for the summative assessment.

Opportunities for e-assessment

E-assessment may be appropriate for some assessments in this unit. By e-assessment we mean assessment which is supported by Information and Communication Technology (ICT), such as e-testing or the use of e-portfolios or social software. Centres which wish to use e-assessment must ensure that the national standard is applied to all learner evidence and that conditions of assessment as specified in the evidence requirements are met, regardless of the mode of gathering evidence. The most up-to-date guidance on the use of e-assessment to support SQA's qualifications is available at www.sqa.org.uk/e-assessment.

Opportunities for developing Core and other essential skills

In this unit learners will develop knowledge and understanding of professional ethics in accountancy, learners will also learn to apply their knowledge to given scenarios.

Learners will develop their problem solving skills in critical thinking as they analyse given scenarios and apply their knowledge to identify potential issues and decide on appropriate actions.

Learners may also have the opportunities to develop ICT and communication skills through researching and discussing the principles of ethics in accountancy and the effects of ethical and non-ethical behaviour.

This Unit has the Critical Thinking component of Problem Solving embedded in it. This means that when learners achieve the Unit, their Core Skills profile will also be updated to show they have achieved Critical Thinking at SCQF level 6.

History of changes to unit

Version	Description of change	Date
02	Core Skills Component Critical Thinking at SCQF level 6 embedded.	31/05/18

© Scottish Qualifications Authority 2018

This publication may be reproduced in whole or in part for educational purposes provided that no profit is derived from reproduction and that, if reproduced in part, the source is acknowledged.

Additional copies of this unit specification can be purchased from the Scottish Qualifications Authority. Please contact the Business Development and Customer Support team, telephone 0303 333 0330.

General information for learners

Unit title: Professional Ethics for Accountants

This unit is designed to give you an opportunity to develop skills to understand the ethical responsibilities of an accountant working within the profession. It will allow you an opportunity to analyse problems in order to form judgements about appropriate and inappropriate behaviour in an accounting environment and to recommend possible course of action in a range of situations where ethical principles are challenged.

Outcome 1

In Outcome 1 you will be asked to explain why it is important for an accountant to act ethically and the effect on the level of importance that the public have on an organisations reputation and legal liability. You will be asked to identify and explain the consequences for accountants who breach ethical professional codes and the possible remedies (disciplinary action) available to deal with unethical behaviour.

You will be asked to identify and explain specific actions which an accountant may take in order to behave in accordance with ethical principles.

You will be asked to consider the importance of an organisations corporate codes of practice, and conduct and identify possible conflicts between the values of the organisation and the individual.

The assessment of this outcome could take the form of short response questions based on short scenarios in the context of a professional accountancy job role.

Assessment for Outcome 1 should be carried out in open-book supervised conditions with the assessment event lasting around one hour. Access should be restricted to class notes and textbooks with no access to internet resources during the assessment event.

Outcome 2

You will be asked to identify and explain the important principles of ethical behaviour in the accountancy profession by showing that you understand the meaning of the principles and the threats to those principles.

- ◆ The principles to be covered are:
 - Integrity
 - Objectivity
 - Professional behaviour
 - Competence and due care
 - Confidentiality

The assessment of this outcome could take the form of short response questions based on short scenarios in the context of a professional accountancy job role.

Assessment for Outcome 2 should be carried out in open-book supervised conditions with the assessment event lasting around one hour. Access should be restricted to class notes and textbooks with no access to internet resources during the assessment event.

Outcome 3

You will be asked to identify and explain, principles of, and threats to, ethical behaviour by applying your knowledge to a number of short scenarios. You will be asked to identify situations where there is pressure to behave unethically, and develop a course of appropriate action to deal with these situations.

The assessment of this outcome could take the form of short case study based questions in the context of a professional accountancy job role where you are asked to identify threats and possible course of action appropriate to the scenario.

Assessment for Outcome 3 should be carried out in open-book supervised conditions with the assessment event lasting around two hours. Access should be restricted to class notes and textbooks with no access to internet resources during the assessment event.

This Unit has the Critical Thinking component of Problem Solving embedded in it. This means that when you achieve the Unit, your Core Skills profile will also be updated to show you have achieved Critical Thinking at SCQF level 6.