

Level 3 Award in Professional Ethics in Accounting and Finance



International
Qualifications from EDI

Syllabus

Effective from: 1 September 2010

INTRODUCTION

Education Development international (EDI) is a leading international awarding body that was formed through the merger of the London Chamber of Commerce and Industry Examinations Board (LCCI) and a leading online assessment provider GOAL. EDI now delivers LCCI International qualifications (LCCI IQ) through a network of over 5000 registered centres in more than 120 countries worldwide. Our range of business-related qualifications is trusted and valued by employers worldwide and recognised by universities and professional bodies.

Level 3 Award in Professional Ethics in Accounting and Finance

Aims

The aims of the qualification are to develop the candidates' ability to:

- recognise the significance of ethical duties within the accounting profession and the impact on organisational and professional reputation and integrity
- understand the framework and general principles of ethical behaviour and how they may be applied in the work environment
- understand how and when to take actions following any suspected breach of ethical codes.

The unit within this qualification is accredited in the UK as EDI Level 3 Award in Professional Ethics and Finance (QCF) 501/1786/5. The qualification has a credit value of 3.

Target Audience and Candidate Progression

This qualification is suitable for people pursuing a career in accounting or those who currently work in accounting and finance related roles. It can be taken as part of the candidates' personal development as well as to maintain continuing professional development.

This qualification can be taken as a standalone qualification or as part of the Level 3 Specialised Diploma in Accounting and Finance, Level 3 Specialised Diploma in Managerial Accounting or the Level 3 Specialised Diploma in Cost Accounting.

English requirements

There are no formal entry requirements for this qualification. However, candidates should have a minimum level of English equivalent to the LCCI Level 2 English for Business or JETSET 4 - (Council of Europe B1/Threshold) to meet the communication requirements for this qualification.

Structure of the qualification

The Level 3 Award in Professional Ethics in Accounting and Finance is a single unit qualification which covers the following key areas:

- 1 Principles of Ethical Working in Accountancy or Payroll
- 2 Ethical Behaviour when Working with Internal And External Customers
- 3 Appropriate Actions for Suspected Breaches of Ethical Codes.

Guided Learning Hours

EDI recommends that 30 - 50 Guided Learning Hours (GLHs) will provide suitable course duration for an 'average' candidate at this level. This figure includes direct contact hours as well as other time when candidates' work is being supervised by teachers. Ultimately, however, it is the responsibility of training centres to determine the appropriate course duration based on their candidates' ability and level of existing knowledge. EDI experience indicates that the number of GLHs can vary significantly from one training centre to another.

ASSESSMENT

Assessment Objectives

The examination will assess the candidate's ability to:

- demonstrate their knowledge and understanding of the general principles of ethical behaviour and the relevant legal, regulatory and ethical requirements affecting the finance and accounting sector
- recognise the importance of ethical behaviour to individuals and organisations and the opportunities for maintaining continuing professional development
- demonstrate their understanding of how they should behave ethically when working with internal and external customers
- demonstrate their understanding of the importance of keeping a professional distance between professional duties and personal life, as well as the need to adhere to organisational policies, professional values, codes of practice and regulations at all times
- demonstrate their knowledge and understanding of how and when to take appropriate actions following any suspected breaches of ethical codes
- apply their knowledge and understanding to given case studies or scenarios.

Examination Format

The qualification is assessed by a paper-based multiple-choice test, which consists of 20 questions covering all areas of the syllabus. The time allowed for the test is 75 minutes. This exam is available on-demand.

All multiple-choice tests must be carried out in accordance with the *Examination Guide for LCCI Centres* and the *Examination Regulations*, which will be sent to centres with the exam papers.

Coverage of Key Syllabus Areas in the Examination

The multiple-choice test will cover the key syllabus areas as follows:

Syllabus areas		Approximate weighting of question allocation
1	Principles of Ethical Working in Accountancy or Payroll	30%
2	Ethical Behaviour when Working with Internal And External Customers	50%
3	Appropriate Actions for Suspected Breaches of Ethical Codes	20%

Answer Format

For each of the 20 multiple-choice questions candidates must mark A, B, C or D on the Candidate Answer Sheet, using a HB pencil. Only one answer must be marked for each question and the answer circle must be completely shaded.

Mark Allocation

The multiple-choice test is marked objectively, with the paper consisting of 20 questions. The test paper is in two parts; Part A consists of 10 unrelated multiple-choice questions, while Part B consists of a case study, with 10 related questions. Questions in Part A carry one mark for each correct answer while the questions in Part B carry two marks for each correct answer. The paper is marked out of a total of 30 marks.

Certification

Successful candidates will be awarded the Level 3 Award in Professional Ethics in Accounting and Finance, based on the marks and grades below:

Pass 18 – 23 marks
Merit 24 - 27 marks
Distinction 28 > marks

Centres will receive certificates within a maximum of 6 weeks of the receipt of the OMR answer sheets at EDI.

Recommended Reading List and Support Materials

Reading List

Title	Authors(s)	Publisher	ISBN Code
Code of ethics for Professional Accountants	Jan Munro	International Federation of Accountants	1 931949 45 X
Professional Ethics Tutorial	Jo Osborne	Osborne	978 1905777 34 1
Professional Ethics in Accounting	Jo Osborne	Osborne	978 1905777 49 5

Support Material

Sample multiple-choice questions and answers are available on the qualification page of the website. www.lcci.org.uk. A Teachers' Toolkit will also be available to support the teaching and learning of this qualification; this will be available on the qualification page of the website – centres will need to login before they can access this.

How to offer this qualification

To offer this qualification you must be an LCCI IQ registered examination centre. To gain Centre approval please contact Customer Support on 08700 818008 between the hours of 08.30 to 17.00 (GMT) Monday to Friday, or via email on centresupport@ediplc.com.

Alternatively you may contact your Regional LCCI Office or coordinating Authority.

Level 3 Professional Ethics in Accounting and Finance

Learning Outcome	Assessment Criteria:	Indicative content:
<i>The learner will:</i>	<i>The learner can:</i>	
<p>1 Understand the principles of ethical working in accountancy or payroll</p>	<p>1.1 Explain the general principles of ethical behaviour including:</p> <ul style="list-style-type: none"> ▪ integrity (including honesty) ▪ objectivity ▪ professional and technical competence and due care ▪ confidentiality ▪ professional behaviour <p>1.2 Summarise the relevant legal, regulatory and ethical requirements affecting the accounting and finance sector, as well as your own industry</p> <p>1.3 Explain the role of professional bodies relevant to your work</p> <p>1.4 Explain why you, your organisation or industry are expected to operate within codes of conduct and practice</p>	<p>(Source IFAC Code of Ethics)</p> <p><i>Legislation and regulations, e.g. Money Laundering Regulations; Data Protection ; Fraud</i></p> <p><i>E.g. Promoting ethical behaviour; Assurance of the services of their members; Continuing Professional Development (CPD) guidance and requirements for members; Ethical and professional behaviour guidelines; Disciplinary framework</i></p> <p><i>Expulsion of membership from professional body; Compliance of codes of conduct leads to good practice</i></p>

	<p>1.5 Explain how organisations can be at risk from improper practice and why it is important to be vigilant</p> <p>1.6 Identify opportunities to maintain your continuing professional development in line with the requirements of relevant professional bodies</p>	<p><i>Operational risk and factors which give rise to such risk(s): Threats and safeguards from using Codes of Ethics ; Fraud; Litigation; Indemnity</i></p> <p><i>Link CPD to the fundamental principle of Due Care; Obligations to attend Continual Professional Development (CPD) training; Different types of training and CPD opportunities e.g. short courses and job rotation.</i></p>
<p>2 Know how to behave in an ethical manner when working with internal and external customers.</p>	<p>2.1 Explain how to act appropriately and with integrity, honesty, fairness and sensitivity when working with clients, suppliers, colleagues and others</p> <p>2.2 Identify why it is important to keep a professional distance between professional duties and personal life at all times</p>	<p><i>Develop a principle based/conceptual framework approach to ethical conflict resolution; Use fundamental principles to determine logical solutions; Identify how safeguards may be applied to deal with threats.</i></p> <p><i>Possible conflict of interest; Conflicts with codes of ethics; Develop a framework or guidance on how to resolve ethical issues; Use fundamental principles to determine logical solutions</i></p>

	<p>2.3 Explain why it is important to adhere to organisational and professional values, codes of practice and regulations at all times</p> <p>2.4 Explain why it is important to adhere to policies for handling clients' monies</p> <p>2.5 Explain why information should be kept confidential</p> <p>2.6 Identify circumstances when confidential information should be disclosed and who is entitled to the information</p> <p>2.7 Explain the importance of working within the limits and confines of your own professional experience, knowledge and expertise</p> <p>2.8 Summarise the advice to clients on the retention of books, working papers and other documents</p>	<p><i>The benefits of complying with codes of practice and other regulations; The Nolan Principles on standards in public life; Disciplinary action for non compliance; Prosecution</i></p> <p><i>Money Laundering Regulations; Codes of ethics (e.g. IFAC)</i></p> <p><i>Principle of Confidentiality and the consequence of non-compliance.</i></p> <p><i>The appropriate course of action regarding disclosure of confidential information; To whom (person or organisation) the disclosure should be made</i></p> <p><i>Principle of Professional Competence and Due Care and its associated threats and safeguards; Acting with Sufficient Expertise (IFAC code of Ethics)</i></p> <p><i>Professional accounting codes of practice; Rules and regulations with respect to the retention of documents</i></p>
<p>3 Understand when and how to take appropriate action following any suspected breaches of ethical codes.</p>	<p>3.1 Identify the relevant authorities and internal departments to whom unethical behaviour, breaches of confidentiality, suspected illegal acts or other malpractice should be reported</p>	<p><i>Know your Fraud officer; Money laundering officer; Who to report matters regarding breach of codes of conduct/practice</i></p>

	<p>3.2 Recognise when the relevant authority should be advised if an employee has concerns over work they have been asked to complete</p> <p>3.3 Identify any inappropriate client behaviour and how to report it to the relevant authority</p> <p>3.4 Explain the procedures which should be followed if an employee suspects an employer, colleague or client has committed, or may commit, an act which is believed to be illegal or unethical, e.g. whistle blowing</p>	<p><i>Procedure(s) for dealing with a situation of potential conflict; Determine which internal procedures to consider before reporting to external agency</i></p> <p><i>The relevant procedures and method of reporting.</i></p> <p><i>Rules, regulations and reporting on 'Disclosure' regarding Money Laundering. The protection available for 'whistle-blowers'</i></p>
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