



The Institute of
Chartered Accountants
of Pakistan

CA
PAKISTAN

PROFESSIONAL VALUES, ETHICS AND ATTITUDES

Know-Practice-Reflect



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that Empowers to Lead

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PROFESSIONAL VALUES, ETHICS AND ATTITUDES

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INTRODUCTION

The purpose of this course is to support the candidates aspiring to become members of the Institute to equip themselves with the appropriate professional values, ethics and attitudes to function as chartered accountants.

Learning and development continue throughout the career of a member. Therefore, professional values, ethics, and attitudes achieved during the phase of professional development as candidate of CA Pakistan are also relevant to continuing professional development. This course recognizes that careers of members change, and they gain exposure to a wider range of ethical issues. This change and exposure requires continuing institutional support in terms of refreshing knowledge and building appropriate ethical behavior.



PROFESSIONAL VALUES, ETHICS, AND ATTITUDES

Professional values, ethics, and attitudes include a commitment to:

- a) technical competence and professional skills
- b) ethical behavior (e.g., independence, objectivity, confidentiality, and integrity)
- c) professional manner (e.g., due care, timeliness, courteousness, respect, responsibility, and reliability)
- d) pursuit of excellence (e.g., commitment to continual improvement and lifelong learning)
- e) social responsibility (e.g., awareness and consideration of the public interest)

The above commitments stem from (a) five fundamental principles of professional ethics and (b) a universal responsibility towards society and the environment.



FUNDAMENTAL PRINCIPLES OF PROFESSIONAL ETHICS

The five fundamental principles as specified in the Code of Ethics for Chartered Accountants are as follows:

- a) Integrity
- b) Objectivity
- c) Professional competence and due care
- d) Confidentiality
- e) Professional behavior

RESPONSIBILITY TOWARDS SOCIETY AND ENVIRONMENT

Chartered accountants, as important part of an organization's leadership, are responsible for sustainable development, which is much beyond creating value for shareholders. As defined in the Brundtland Report "Sustainable development is a development that meets the needs of current generations without compromising the ability of future generations to meet their own needs." This concept of development requires from chartered accountants to be aware of the impacts of their decisions and actions on other stakeholders – society and environment.

LEARNING OUTCOME

Learning outcomes specified in this course are fully aligned with the requirements of International Education Standards issued by IAESB of IFAC.

After completing the course the participants should be able to:

Know

- a) explain the nature of ethics
- b) explain the advantages and disadvantages of rules-based and principles-based approaches to ethics
- c) explain the role of ethics in relation to business and good governance
- d) explain the role of ethics within the profession and in relation to the concept of social responsibility
- e) explain the different models of ethical decision making

Practice

- a) apply the fundamental ethical principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior to ethical dilemmas and determine an appropriate resolution
- b) apply the relevant ethical requirements to professional behavior and compliance with standards
- c) analyze the interrelationship of ethics and law, including the relationship between laws, regulations, and the public interest
- d) analyze the consequences of unethical behavior to the individual, to the profession, and to society at large

Reflect

- a) exercise professional judgment
- b) act in an ethical manner that is in the public interest



REQUIRED PROFICIENCY

The proficiency aimed at in this course for the purposes of qualifying as chartered accountant shall be of intermediate level. Learning outcomes at the intermediate level relate to work situations that are characterized by moderate levels of uncertainty, complexity, and ambiguity.

Members, progressing to higher professional roles, may endeavor to achieve advanced proficiency from advanced training and courses offered by universities and management trainers.

METHODOLOGY

This course achieves its objectives by:

- a) providing knowledge and comprehension through learning support material followed by assessment
- b) inculcating application and analytical skills through scenario-based examples and assessments
- c) developing competence to form firm opinion and make professional judgment through reflective activities followed by an assessment of behavioral style

REFERENCE BOOK

Code of Ethics for Chartered Accountants 2019

ADDITIONAL READINGS

1. Business & Professional Ethics for Directors, Executives and Accountants by Leonard J. Brooks & Paul Dunn, 6th Edition
2. Managing Business Ethics by Linda K. Trevino and Katherine A. Nelson



STRUCTURE of the course

Part I	Understanding ethics and human behaviors
Part II	Understanding models of ethical decision making
Part III	Reflective Activities

Part I Understanding ethics and human behaviors

Part I Understanding ethics and human behaviors

This part provides core knowledge that is required as a foundation for ethical decision making - the ultimate objective of this course.

Contents

This phase is divided into two sub-parts

- (a) General Knowledge about Ethics; and
- (b) Knowledge about the Code of Ethics for Chartered Accountants

Assessment of Part I

(Online without invigilation)

- a) The participant will encounter questions randomly picked by the system from a question bank.
- b) Part I (a) General Knowledge about Ethics
 - It contains 20 Multiple Response Questions (MRQs) and does not have an assessment.
- c) Part I (b) Knowledge about the Code of Ethics for Chartered Accountants
 - It contains 25 Multiple Response Questions (MRQs); each followed by 4 options.
 - Minimum passing percentage to progress to Part II is 70%.
 - There will be no negative marking
 - Result will be shown in aggregate
 - There is no time limit for completing the assessment
 - Participants will not be informed about incorrect answers

* A Multiple Response Question requires the respondent to select one or more than one option as the correct answer i.e. there can be one or multiple number of right answers for the given question.

Part II Understanding models of ethical decision making

Part II Understanding models of ethical decision making

Chartered accountants sometimes face serious challenges in adhering to professional values, ethics, and attitudes. These challenges are classified as:

- a) Ethical dilemmas
- b) Ethical threats

Ethical dilemmas

Chartered accountants generally encounter situations that are simply 'right' or 'wrong'. However, there may be situations where two or more 'rights' are in conflict. In addition to this, there could be situations where one has a compulsion to take one unpleasant decision out of two or more. Such situations are termed as ethical dilemmas.

Ethical threats

There may be situations that could threaten compliance with the fundamental principles of professional ethics and commitment to social responsibility. Such threats may be classified in the following five categories:

- a) Self-interest threats
- b) Self-review threats
- c) Advocacy threats
- d) Familiarity threats
- e) Intimidation threats

Managing ethical conduct

This part of the course (whilst recognizes that changing someone's behavior is difficult) aims at influencing behavior through well-researched tools of ethical decision making. In other words, this part works on the belief that one can manage his or her ethical conduct through learning and experience.

There are a number of ethical decision making models developed by scholars and institutions. However, in order to provide in-depth understanding of ethical decision making, the Institute has selected only two such models, which are as follows:

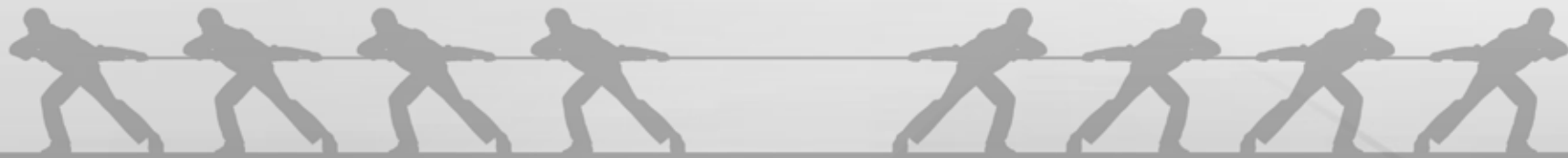
- a) Tucker's 5-question Model – Presented by Graham Tucker
- b) American Accounting Association Model

This part and its assessment will focus on understanding and analysis of ethical dilemmas and threats, and application of the selected models. The participants in this part would not be required to make judgments and decisions.

Assessment of Part II

(Online without invigilation)

- a) The participant will encounter a set of scenarios randomly picked by the system from a question bank each followed by 4 options.
- b) These will be Multiple Response Questions (MRQs).
- c) The total marks for this part is 100.
- d) Minimum passing percentage to progress to Part III is 70%.
- e) There will be no negative marking.
- f) The result will be shown in aggregate.
- g) Participants will not be informed about the incorrect answers.
- h) There is no time limit for completing the assessment.



Part III Reflective Activities

Part III Reflective Activities

Reflective activity is defined by IAESB as “the iterative process by which professional accountants, at all stages of their career, continue to develop their professional competence by reviewing their experiences (real or simulated) with a view to improving their future actions.”

This part of the course provides an opportunity to members and candidates aspiring to become members to experience their professional behavior and attitude through simulations.

This part contains a number of simulations developed in a way to pose different ethical dilemmas and threats. Participants' judgment and decisions against the given situations are the reflection of their behavior and preferences. This part believes that an individual learns from experience using ethical sense, that is, a natural ability to see what is right.

The system generated assessment of behavioral style that comes out after submission of responses of the participant is an indicative assessment and in order to reach to any meaningful conclusion participant is required to apply own judgment and also consult with peers, seniors and mentors.

Assessment of Part III

(Online without invigilation)

- The participant will encounter a set of 7 scenarios randomly picked by the system from a scenario bank each followed by some statements.
- Participant will be required to select one of the three decisions presented against each scenario.
- A student attempting this part to fulfill the requirement of regulation 4(10) of the Directive 1.01-Education Scheme 2013, will be required to pass part I and II before attempting this part. All other participants are encouraged to complete parts I and II before attempting this part. However, they may attempt this part without passing any other part.



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