ETHICS PROGRESS REPORT

PROJECT TITLE

ETHICS EDUCATION: Approaches to the development and maintenance of professional values and ethics in accounting education programs

The research has commenced and is now well underway. The researchers have also sought and obtained ethics clearance from the Ethics Committee of Deakin University (Australia), where the project leader is located. The researchers are listed below.

Researchers:

Professor Philomena Leung (Deakin University) (Project Leader)
Professor Barry J Cooper (RMIT University)
Dr Steven Dellaportas (La Trobe University)
Associate Professor Beverley Jackling (Deakin University)
Ms Heather Leslie (Research Assistant, Deakin University)

The research project team held three meetings on 25 May, 18 June and 26 July. Minutes of the meetings are kept. The following key milestones have been achieved.

1. Proposed Outline of Project Report

The researchers have discussed and agreed to a draft outline of the project report. The draft outline will form the skeleton of the final report and will be reviewed/revised as and when necessary.

(Appendix 1: IFAC proposed outline of project report)

2. Outline of project research approach

Presentations of the project research approach have been made in Durban (IAAER Globalisation Roundtable and in the IAAER/SAAA biannual conference) and Australia (Accounting and Finance Association of Australia and New Zealand (AFAANZ) accounting education workshop and at the International Society of Business, Economics, and Ethics (ISBEE) conference). These presentations have resulted in positive feedback and participation by practitioners, accounting and non-accounting academics, and researchers in ethics.
The original research proposal has now been extended to include regional focus group meetings. The key elements of the research project are summarised in Appendix 2. The details of the proposed focus group meetings are listed in Appendix 3.

The research team is in the process of finalising the survey instruments and has also made arrangements to have the online surveys formatted and distributed through the Information Systems Unit (ISU) within the Academic Administrative Services Division (AASD) at Deakin University. The Information Systems Unit has extensive experience in electronic surveys on a large scale at a relatively reasonable fee. The researchers will provide the database and the survey instruments so that they will be tested and sent out by the ISU, which also produces summary reports of the responses.

The survey questions will seek information covering current both pre- and post-qualification systems employed by IFAC member bodies and will solicit views on the implementation of International Education Standard 4 *Professional Ethics, Values and Attitudes*. For interviews and focus group meetings, interview schedules and focus group discussion points have been prepared and trialled in the focus group meetings conducted in Durban at the IAAER/SAAA biannual conference and in Australia at the ISBEE conference.

The project team has established some institutional support and sponsorships to run regional focus group meetings, in addition to the original project proposal. The focus group meetings will provide a wider opportunity to gain representative views on ethics education and development, from a regional perspective. The locations of the focus groups have been determined and these include South Africa (Durban), Australia (Alice Springs / Sydney), Sweden (Stockholm), United Kingdom (London), Hong Kong, China (Shanghai and Beijing), and Malaysia. The focus group meetings will be conducted with the support of various member bodies of IFAC. The project team will also conduct personal interviews at these locations wherever possible. These focus group meetings and interviews will add substantial value to the project, particularly in terms of the richness of the data collected.

3. Database of member bodies, academics and researchers, professional and industry personnel.

A series of databases is being developed. The databases will be derived from the following:

- IFAC member bodies
- Practitioners, professional accountants in commerce, industry and public sectors
- Educators, academics and researchers
- Ethics experts from fields other than accounting
From the conferences attended to date, such as IAAER/SAAA, AFAANZ and ISBEE, contacts have been established with representatives from many countries. These include: South Africa, Pakistan, Japan, United States, Germany, Scotland, Hong Kong, Thailand, Jerusalem, Botswana, Italy, Mexico, Canada, China, Finland and New Zealand.

4. Literature review

The write up of the literature review has commenced. The project team is grateful for the input from many sources, including ICAS and its researchers on the ethics projects they are undertaking.

5. Project management

All expenses to date have been paid by Deakin University, pending reimbursements. All expenses are supported by receipts and are monitored by IFAC through close liaison between the project leader and Ms Claire Egan.

The project team will present a detailed progress report during the IFAC Stockholm meeting in August.

Prepared by:

Professor Philomena Leung
On behalf of the project team

Proposed Outline of Project Report
(Note: details of the chapters may change as the research project progresses)

Chapter 1  OVERVIEW

Introduction

- Context.
- Role of the profession.
- IES and IES 4.
- Rationale for the project.

Terms of reference

The project objective is to provide practical guidance to IFAC member bodies, academics and others responsible for the education of professional accountants on the implementation of professional values and ethics education, as part of:

- the education program (including practical experience) to become a professional accountant; and
- the program of CPD to maintain competence once qualified.

Chapter 2  ETHICS EDUCATION

What is ethics?

- Identification and description of various theories of ethics.
- Normative v Kantian theories.
- Applied ethics.
- Professional values and capabilities - fundamental principles of professional conduct.

Why learn ethics?

- Understanding ethics.
- Ethical decision-making.
- Sensitivity/awareness of ethical issues.
- Benefits of ethics education.
- Significance to the profession.

Can ethics be taught?

- Goals of ethics education.
Changing behaviour and heightened skills.
Is ethics education effective?
Resources for effective ethics education.

Culture and ethics education
- Definition and description of culture in the context of ethics education.
- Cultural values and ethical decision-making.
- The possible impact of culture on ethics education.

Overview of ethics education in other professions
- Legal profession.
- Medical profession.
- Engineering profession.
- Other.

Chapter 3  Research Approach

Concept model
- Overall Ethics Education Concept Model (as described in Appendix A of the research proposal, reproduced below).

Data collection and analysis
- Review research and practice in ethics education and development.
- Survey 1 – member bodies on current extent of ethics education.
- Survey 2 – practitioners, academics and ethics experts on the perceptions of ethics education (contents, learning methods and delivery)
- Focus group meetings – results of regional inputs.
- Semi structured interviews.

Chapter 4  Inventory of Current Practice

Pathways to professionalisation and the distinction between pre and post qualification
- University route - degree plus practical experience.
- Professional route - completion of a specified number of papers plus practical experience.
- Identification and classification of common elements in professionalisation pathways.

Professional accreditation standards and current practice - prequalification
- What should be taught according to accreditation standards.
- What is being taught?
- How is ethics currently being taught?
- Learning outcomes.
Professional body accreditation standards and current practice – post qualification
- What should be taught?
- How is ethics currently being taught?
- Continuing professional development (CPD) ethics education and development.

Chapter 5 INVENTORY OF RESEARCH INTO GOOD PRACTICE

Good practice research
- The body of knowledge.
- Teaching and learning.
- Ethics development.

Chapter 6 FRAMEWORKS FOR ETHICS EDUCATION AND DEVELOPMENT

(This chapter will be developed based on the analyses of the surveys, focus group meetings, interviews, literature and prior research)

Chapter 7 INSTITUTIONAL STRATEGIES AND IMPLEMENTATION PLANS

This chapter will provide a summary of the institutional strategies and support plans from the responses of the surveys, interviews and focus groups. Further, the researchers will make recommendations regarding possible implementation plans to be adopted by member bodies.

Role(s) of accounting professional accounting associations
- Promotion and enforcement of ethical behaviour.
- Code awareness and effectiveness.
- The disciplinary framework.

Pre-qualification
- Policies and strategies on integrating ethics into the accounting curriculum.

Post-qualification
- Institutionalising a program of ethics including:
  - Developing and promoting corporate codes of conduct.
  - Corporate culture.
  - Good corporate governance practices.
Chapter 8 DELIVERY METHODS

Delivery of ethics education
- Face to face.
- Technology in teaching.
- Case studies and scenarios.

Chapter 9 RECOMMENDATIONS FOR A DRAFT IEG GUIDELINE ON ETHICS EDUCATION

APPENDIX A: The concept model proposed:

An overall Ethics Education concept model - objectives and implementation:

<table>
<thead>
<tr>
<th>Pre-Qualification – Stream 1</th>
<th>Post-Qualification – Stream 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>To sensitize values, ethics and attitudes;</td>
<td>To develop ethical motivation and competence in establishing ethical priorities;</td>
</tr>
<tr>
<td>To learn the underpinning of ethical decisions and judgment</td>
<td>To maintain ethical strength in characters</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Specific Applications (IFAC guide)</th>
<th>Institutional Strategies (IFAC recommendations)</th>
<th>Specific Applications (IFAC guide)</th>
<th>Institutional Strategies (IFAC recommendations)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>Support policies</td>
<td>Courses for further learning</td>
<td>Support policies</td>
</tr>
<tr>
<td>Other development</td>
<td>Support policies</td>
<td>Other development</td>
<td>Support policies</td>
</tr>
</tbody>
</table>
OTHER APPENDICES: Documentation to be included in the final report

- A draft version of an international education guideline (IEG) on ethics education for member bodies.
- Survey questionnaires.
- Semi structured interview/focus group questions.
- Sample courses ethics education.
- Database of resources.
## IFAC ETHICS EDUCATION PROJECT – RESEARCH WORK PLAN

<table>
<thead>
<tr>
<th>Current practice</th>
<th>Perceptions and issues relating to ethics education and development</th>
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</thead>
<tbody>
<tr>
<td><strong>Member bodies</strong></td>
<td></td>
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<tr>
<td><strong>Bus/Industry Practitioners</strong></td>
<td></td>
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<tr>
<td><strong>Academics Researchers</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Other Ethics Experts</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Survey 1</strong></td>
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</tr>
<tr>
<td><strong>Survey 2</strong></td>
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</tr>
<tr>
<td><strong>Face to face interviews</strong></td>
<td>✓</td>
</tr>
<tr>
<td><strong>Phone interviews</strong></td>
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</tr>
<tr>
<td><strong>Regional focus groups</strong></td>
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</tbody>
</table>
Appendix 3  Regional Focus Group meetings

REGIONAL FOCUS GROUPS TIMETABLE

<table>
<thead>
<tr>
<th>Where</th>
<th>Country/City</th>
<th>When</th>
<th>Sponsor</th>
<th>Who</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>Hong Kong</td>
<td>Oct</td>
<td>Jointly ACCA/CPAA</td>
<td>PL/BJC/BJ</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Shanghai/Beijing</td>
<td>Oct</td>
<td>Jointly ACCA/CPA</td>
<td>PL/BJC/BJ</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Malaysia</td>
<td>Sept</td>
<td>SD/BJ</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>London</td>
<td>Sept</td>
<td>CCAB/ACCA</td>
<td>PL/BJC</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stockholm</td>
<td>Aug</td>
<td>IFAC project fund</td>
<td>PL/BJC</td>
<td></td>
</tr>
<tr>
<td>Africa</td>
<td>Durban</td>
<td>June/JulIAAER</td>
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<td>PL/BH.</td>
<td>Done</td>
</tr>
<tr>
<td>AUS / NZ</td>
<td>Alice Springs</td>
<td>July</td>
<td>AFAANZ</td>
<td>PL/BJC/BJ</td>
<td>Done</td>
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<tr>
<td></td>
<td>Melbourne</td>
<td>July</td>
<td>ISBEE</td>
<td>PL/BJ</td>
<td>Done</td>
</tr>
<tr>
<td></td>
<td>Sydney</td>
<td>Nov</td>
<td>Acc Edu Forum</td>
<td>IFAC project fund /CPAA</td>
<td>PL</td>
</tr>
</tbody>
</table>

Discussion points at focus group meetings include

1. Role of professional accounting bodies and educators in ensuring professional ethics, values and attitudes

2. Current practice of pre-qualifying and post-qualification programs for accountants in general (skills required, structures, standards..)

3. Current practice of pre-qualifying and post-qualification programs in ethics for accountants

4. Issues and contexts to be considered in evaluating effectiveness in current programs
5 Issues and contexts to be considered for ethics education and development programs for pre-qualifying and post-qualification development.

6 Implementation of IES 4

7 Preferred frameworks