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Original Citation

Cowton, Christopher J. (2017) A question of standards. *Financial Accountant* (9/10). pp. 24-25. ISSN 1357-5449

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A question of standards

Chris Cowton explains that disciplinary cases will be a feature of a well-functioning professional body, but its role is more high-performance coach than police officer.

TEN SECOND SUMMARY

- 1 Professional bodies promote high standards of competence and integrity.
- 2 Sometimes disciplinary cases will be necessary due to allegations of professional misconduct because a member has discredited themselves, the IFA and/or the accountancy profession.
- 3 Unless required by law, this doesn't mean that a professional body should routinely check up on members to catch them out. However, professional bodies have a vital role to play in encouraging and supporting members to achieve high standards.

In a previous issue of this magazine I wrote an article about what makes an individual professional and what constitutes a good professional body.ⁱ In that article (which was illustrated with a be-muscled physique nothing like mine – but I can hope) I explained that, with the right approach, professional bodies have much to offer. In particular, living up to the high standards of technical competence and integrity expected of them would be more than welcome as society sought to recover from the economic ravages and destruction of trust wrought by the global financial crisis and subsequent period of austerity.

Professional bodies tend to be relatively well developed in the UK and countries with a shared heritage (e.g. Australia). While their respective contribution to society tends to be worked out slightly differently, depending on history and context, in such countries professional bodies are part of the institutional fabric or social capital that can be drawn upon for the good governance (broadly defined) and functioning of a nation. Some countries, though, do not have this option. This is sometimes because economic development has been too limited or too recent to allow such institutions to flourish. On the other hand, in many developed countries there is not really much 'space' granted by the state for professional bodies to operate in. In particular, countries that have a highly codified approach to law and regulation tend to provide limited opportunities for professional bodies to really take root and make a substantial contribution while enjoying a significant degree of self-regulation.

So what sort of 'space' do professional bodies in the UK and similar countries occupy and how does that space come about? The classical answer to this is that the state (admittedly perhaps in response to lobbying) reserves certain activities in a specific sphere of activity to a particular occupational group. As a result of this granting of privileges, the professional body is then responsible for ensuring, amongst other things, that aspiring professionals are properly trained and certified and that they act with appropriate expertise and integrity. Members in good standing possess the necessary licence to operate.

However, it should be acknowledged that many things that professionals do are not reserved to them, but the imprimatur of a professional body is sufficiently attractive to persuade people and organisations to prefer to engage their services, trusting members to act in accordance with high standards. As explained in my previous article, the rewards earned by professionals can be viewed as a return on the collective commitment to high competence and integrity. The latter is supported by

a code of ethics that goes beyond ordinary morality and the law. After all, ordinary morality and the law (especially) apply to everyone, so more is needed to justify the respect in which professionals are held and the rewards they earn. This is often summed up in the idea that a profession provides a public benefit, not just private benefits for its members.

So far, so good. But things don't always work out this way, with some members not living up to the ideal. Indeed, in a well-functioning professional body I would expect to see some disciplinary cases that relate to instances where a member has fallen short of the standards expected, which includes regulations, standards and requirements set by the IFA and others such as the government, regulators and standard setters. Nevertheless, professional bodies sadly sometimes have to deal with cases where a member is alleged to be guilty of professional misconduct, usually involving a lack of competence and/or integrity. At the very least, this brings the professional body into disrepute and tarnishes its members' collective brand, if you want to think in such terms. It is important that the professional body reacts, albeit after the fact, perhaps even to the extent of exclusion.

This might raise the question, though, of what a professional body should do 'before the fact'. Certainly, through things like initial qualification and continuing professional development, it should support members to understand their responsibilities under the law. However, a professional body is so much more than that, seeking to establish and promote *high* standards. Disciplinary cases for falling foul of the law or other external regulations will be an occasional necessity, but a professional body is – or should be – a fundamentally positive and constructive endeavour whereby a group of individuals pursue a project of excellence in their particular field. It is not about just ensuring some legal minimum, perhaps through a box-ticking compliance exercise. Such a focus would undermine its mission and divert resources from its true purpose. It would be in danger of becoming little more than an arm of the state, losing the 'space' in which to make its most important contributions.

Granted, a professional body needs to react when a member is known to have fallen short of the bare minimum, but its focus should generally be on 'higher things'. Adherence to minimum legal and regulatory requirements should be taken as read. The key role of a professional body – as a community of experts engaged in a common purpose to the benefit of society – is to encourage, support and even warn members to uphold high standards at all times, not to check up routinely on whether they have met the bare minimum. The latter function best belongs to the authorities, particularly when the relevant law or regulation does not relate to some sphere of activity reserved solely to the profession in question.

In conclusion, disciplinary cases will occur in any well-functioning professional body, but the focus of its activities should be on promoting high standards, not looking for cases that fall short of the bare minimum. When it comes to a professional body and behaviour management overall, think high-performance coach, not police officer.

IFA Box

The IFA demonstrates its commitment to acting in the public interest, promoting trust in the profession and upholding high ethical and professional standards by:

- having bye-laws, regulations and guidance for its members which outline ethical and professional standards <https://www.ifa.org.uk/about-us/acting-in-the-public-interest/memberregulations>
- providing resources, technical help and training such as the recently launched starting up in practice workshops <https://www.ifa.org.uk/technical-resources>
- monitoring adherence to standards and guidance <https://www.ifa.org.uk/about-us/acting-in-the-public-interest/making-a-complaint>

The IFA's disciplinary process is a crucial part of maintaining professional standards, since fines and other penalties can be imposed on those members who are found not to comply with these standards. In certain circumstances, members can even be excluded from membership for failure to adhere to appropriate standards.

Should you find yourself the subject of a complaint and in receipt of correspondence from the IFA's disciplinary case manager, to ensure that the process is as swift and painless as possible, please consider the following:

- 1 Have we got your up to date contact information?
Members are required to contact the IFA immediately of any change in address(es) other than one which is merely temporarily.
- 2 Make sure you reply
Members are obliged to provide their 'full and prompt co-operation' in connection with the investigation of a complaint.
- 3 Provide relevant evidence at the outset
Members should provide relevant evidence regarding the complaint allegation at the outset of the disciplinary process to save potential stress and expense being added to the disciplinary hearings. Be specific as to how the evidence you have provided relates to the alleged complaint.
- 4 Be aware of IFA's bye-laws and regulations
Be familiar with these. In the case of a complaint, ignorance of these regulations will not be bliss! The regulations can be found at <https://www.ifa.org.uk/about-us/acting-in-the-public-interest/memberregulations>
- 5 Let us know if the complaint has been resolved
Tell the IFA and also ask the complainant to confirm to the IFA that the complaint has been withdrawn.

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ⁱ C. Cowton, 'Professional body building', *Financial Accountant*, January/February 2014, pp.28-29.