

Paul Robbins training and consultancy

Ethics for Accountants

Objectivity, Resolving Ethical Conflicts and Professional Competence

Working Beyond Your Competence Level

Jack has recently started working as a Finance Officer at Dunn Inn Ltd, a chain of pubs and restaurants.

This is his second job, having previously worked as a Finance Assistant for a local hotel for 18 months. He is keen to progress in his career and is currently studying part time for his AAT Level 3 Diploma in Accounting qualification.

When Jack was interviewed for his new job, he falsely claimed to have a high level of expertise in VAT.

Jack is now panicking because his manager has just asked him to complete the latest VAT Return for the business and he doesn't know where to start.

He has contacted you to ask for advice on what he should do.

Explain which of the fundamental ethical principles Jack would break if he tries to complete the VAT Return without adequate training or guidance

Jack would break the fundamental ethical principles of:

Integrity (as he lied about his level of experience and he would make things worse by trying to complete the VAT Return without asking for assistance)

Professional Competence and Due Care (as he would be undertaking work he was not able to perform competently without adequate supervision and it is very likely that the work produced would not be completed to an adequate standard)

Professional Behaviour (as both lying and performing work he is not capable of completing adequately will bring the accounting profession into disrepute).

Advise Jack what he should do in this situation

Jack should confess to his manager that he is not actually an expert in VAT and apologise for misleading them at his interview.

He should explain that VAT is something that he is or will shortly be studying as part of his AAT Level 3 course and that he would like to complete the VAT Return in order to gain expertise in VAT, but that he will require support and guidance from a senior member of staff on this occasion in order to do so.