

## **Detailed transcript for section 2.2.3 Stepping stones to a professional**

Hallo again.

In this section we will learn what the distinguishing characteristics are that, you as a professional should have to be successful.

Do you still remember what agency cost are?

Agency costs are various structures that are used to protect owners of companies from the self-serving behaviour of their management and directors who create “agency problems”.

So, who are the individuals that implement these “agency cost” structures?

And why do owners and society trust these individuals to implement these?

Well, this is exactly where your own role as a future accountancy professional will fit in.

As a future accountancy professional you will be implementing the “agency cost” structures!

But why will owners and society trust you to play a role in mitigating “agency problems”?

The answer lies in the fact that you will be an accountancy professional.

And for you to be regarded as a professional, you will have to comply with the distinguishing characteristics of a professional.

These characteristics are:

- Sound theoretical knowledge;
- Pervasive qualities and skills;
- Intensive academic education and practical training;
- Assessed competency;
- Professional body membership;
- Compliance with a professional code of conduct; and
- Delivering a service.

Let's now look at these in a bit more detail.

In order for you meet the characteristic of “sound theoretical knowledge” you will have to study the theory that your selected profession is built on.

In short – you should have the knowledge in your specific field of study.

The next distinguishing characteristic is extremely important.

What do I mean by pervasive qualities and skills?

Besides the fact that these qualities and skills are extremely important, they make up the professional qualities and skills that all accountancy professionals are expected to bring to all tasks.

These qualities and skills are much more than the theoretical. However, it is important to have such knowledge.

That is always your starting point.

But if you only have the theoretical knowledge you will not know how to use that theoretical knowledge in your chosen profession one day.

But these pervasive qualities and skills will equip you with “how” you should apply your theoretical knowledge in your field to do your job.

Examples of these qualities and skills are.

- Your professionalism;
- Your ethical behaviour;
- Are you a life-long learner?; and
- Can you effectively communicate?

And believe me...

A lot of employers look for these qualities and skills in their employees.

I want you to start today to work on these qualities and skills.

It is an investment in yourself and your future career as a professional.

And it will undoubtedly make you more employable and develop you as a responsible leader in the accountancy profession in order to become successful.

Thirdly, you will have to undergo the intensive academic education and practical training prescribed by your selected profession.

Each accountancy profession clearly communicates its education and training requirements to academic, training providers and all interested in membership of the profession. This is usually reflected on the profession’s website.

However, we will learn a bit more about this in the next focus area.

Your competence will also be assessed by your selected profession before you will form part thereof.

Professions usually communicate the detail of the requirements for and the process of assessment of professional competence on their websites.

You will also have to become a member of a professional body that represents your selected profession.

The professional body has to represent its members and should discipline members who do not comply with the profession's requirements.

You will also have to comply with your selected profession's code of conduct.

A code of conduct is used to measure the acceptability of actions and behaviour of members of a profession.

The codes of conduct of the accountancy professions are usually based on the following ethical principles:

- Integrity – which means to be honest
- Objectivity – which means to avoid conflict of interest
- Professional competence and working with due care – which means to remain competent and, to provide a service based on competence and compliance with regulations and standards
- Confidentiality – which means to keep information obtained during your work performance, confidential; and
- Professional behaviour – which means to comply with all regulations and to avoid any actions that may cause your chosen profession any harm.

In meeting the distinguishing characteristics of a profession you will also have to deliver a service that is aimed at the greater good of society and its members.

This means that although you will be working for an employer or will be contracted to deliver a professional accountancy service to a client, you will always have to measure whether the result of your work is in the public interest.

An example of acting in the public interest is to ensure that financial statements prepared are true and correct and complies with all reporting requirements.

Another example of acting in the public interest is to ensure that any advice that you give as an accountancy professional comply with all laws and do not harm society by presenting information in an incorrect manner.

We have unfortunately now come to the end of our discussion.

I hope that you now understand the important role that accountancy professions have as well as the distinguishing characteristics that you will have to comply with in order to become a professional.

Remember that you as an accountancy professional will leave your “footprint” in business while serving the interests of the public.

In the next focus area you will meet the “Who’s who in accountancy” which builds on the agency theory, the parties involved, the problems we have identified as well as the agency costs.

We also introduce you to seven different accountancy professions, one... or more... of which may become your profession.

For now, please go and check out the classroom reflection in section 2.2.4 to find out how you can reflect on the knowledge that you now have.