

# Ethical mnemonics

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recommends some memory techniques as study aids.

**A**lthough many professionals are required to know ethical guidelines, this article is written for those studying towards the Association of Tax Technicians (ATT) and Chartered Institute of Taxation's chartered tax adviser (CTA) exams. Ethics is a requirement across the ATT syllabus with a small amount appearing on all papers and also 35% to 50% of paper 7 which is a compulsory paper. There is an e-assessment on the CTA syllabus and ethics can also appear on the application and interaction paper.

Ethics is an area which most students find challenging as it requires you to remember guidelines and key buzz words. It is all about memory techniques, so even the most technical student could struggle with this part of the qualification. Some students believe it is common sense, but while we all know what is ethically right and wrong, for the ATT and CIOT exams you must use key buzz words to gain the marks.

There are many guidelines to learn, and I prefer to take each one separately, spending 20 to 30 minutes trying to remember the key points it covers. Once you have looked at the guideline you need to make sure you revisit it many times before the exam. When I studied ethics I found that by reading through the guidelines, I would think to myself 'yes I know that one, I will remember it'. However, when I sat with a blank piece of paper in front of me I could barely list the key points.

## Mnemonics

Given the dull tag that is given to ethics I have found ways of trying to relate the guidelines to more exciting things. I would take the key points from each guideline and take the first letter to see if I could spell a word. A character called 'Beefy AJ' always helped me to remember the charging for services chapter.

Mnemonics are a great way to remember, with the funnier ones often being most memorable. Once created, I would begin

### KEY POINTS

- Importance of the key buzz words.
- Mnemonics can be helpful.
- Use your own experiences.
- Don't forget the legislation.



by writing down the starting letters for each mnemonic on a blank piece of paper, then see if I could remember each one. Next, using the first letter of each as a prompt, I would go back through with just the title on a blank piece of paper to see if I could recall the letters as well as the key buzz words. By the end of my revision, I would be doing this for about half an hour every day.

A mnemonic could also be used for client acceptance. The mnemonic I used was 'do I *MIND*?' with an extra D on the end. The things we would need to consider would be Money laundering, Identity, No obligation to act, Decline if unable to act and then Duty of care.

You could then expand this to 'Did they tell a *FIB* to my *PA*?' The *FIB* and *PA* would be the need to consider Financial standing, Integrity, Business situation, Personal circumstances and Attitude towards disclosure.

## Office experience

Some things you will know automatically through personal experience. You may be in a position where you see engagement letters in the office, so will know what is included which could be tested in the exams. Always check this with the guidelines as the exam may be different from actual practice.

As students you will have a training contract. A common question could be regarding the contents of the training contract so think about the training arrangements that are in place for your training contract. For example:

- You may be attending training courses or you may be studying at home with the materials and the online lectures.
- Your firm may agree to pay the expenses, the cost of these courses as well as the examination fees and registration fees.
- You may be given study leave by the firm or you may need to take holiday days to study and to sit the examination.

- Your firm will usually monitor your performance and you may be allocated a buddy.
- The contract will be for a set duration so this would possibly be stated on the contract with a termination date.

## Other scenarios

When I looked at the guidelines I worked out that, bizarrely, I could relate the professional rules to Mary Poppins! By taking the first letter or each of these guidelines, we spell MPOPPINCCCCCID, so M Poppin then chim chim-in-ey, chim-in-ey, chim chim ID. You therefore know that there are 15 professional rules and also have the starting letter for each. If you were to think of Mary Poppins' duties as a nanny you will be able to remember the professional rules required by the ATT and CIOT.

We would be suspicious if Mr Banks (her boss) had paid her using large amounts of cash (Money laundering), begging for work is unprofessional (Practice development). She would need to remain impartial and unbiased (Objectivity and independence).

Mary Poppins would have a duty of care for her clients and may also have insurance for her role (Personal responsibility and PII).

She would need to provide information to the parents when requested just like a member would be expected to for the ATT/CIOT (Provision of Information to the CIOT and the ATT).

Working in a nightclub until the early hours of the morning would not be appropriate for her role (Incompatible activities). If the children were ill or misbehaved, she would need to notify the parents, in our case this would be the institute or association (Notify).

Any information found out while working in her role would be confidential, she cannot tell the neighbours about the family's financial problems (Confidentiality). If she is given money to take the children out, she cannot spend money buying new shoes. It should be kept separate from her own personal money (Client's monies).

If she had not worked for a while, she would need to ensure she was up to date with all the relevant training. Like a tax adviser, things in the job change so we need to ensure we are constantly up to date (Continuing professional development).

A nanny would need to be competent for the role, be courteous and take care in her conduct. She should not look after more children than she can handle, just like a tax adviser should only take on clients if he knows he will be able to do the work to the expected standard (Competence, Courtesy and Conduct).

A nanny should be honest so act with integrity just like a member (Integrity). Just like any employment, there would be a disciplinary process if anything went wrong. If a member of the ATT or CIOT has a complaint filed against him there would be a disciplinary process (Disciplinary).

## The same letter

When looking through the guidelines you could also look for words which start with the same letter as these would be easy to remember. A good example of this is the use of the letter A within the conflict of interest section.

## TOP TIPS

- Give yourself plenty of time to learn the guidelines.
- Break down the guidelines into small sections using learning methods mentioned in the article.
- Practise remembering the guidelines, even if it is writing down on a blank piece of paper what you remember.
- Use post-it notes to jot down mnemonics, these can be stuck on mirrors, light switches, by the sink, etc.
- Treat ethics with as much respect as the other areas of the syllabus.

We learn from the guidelines that we should always be *aware* of the possibility of a conflict of interest arising. We should also try to *avoid* this where possible, a good example would be not agreeing to act for both a husband and wife when you know they are planning to divorce. If we still have this conflict we should *acknowledge* the conflict to the clients involved. Once acknowledged we need to *address* the issue and take *appropriate action* which takes us to the three options that we act for one, none or both.

I remember this as the 5As. If you can remember these, it will also be relevant for the complaints section of the guidelines as each A would be relevant with an additional A for *apology*.

## Use of legislation

Not many students are aware that the legislation can be very helpful with the money laundering area of the exam. The legislation is not permitted in the CTA ethics e-assessment exam but ethics are also examinable in the application paper.

The Proceeds of Crime Act 2002 gives the definitions of the money laundering offences in section 327 to 329. These offences are a common short form question on the ATT papers, but are also required for the CTA exams. The legislation can be found in *Tolley's Yellow Tax Handbook Part 1B*. As well as listing the offences, the penalties are also given so it is not necessary to learn the imprisonment terms or monetary fine amounts.

The Money Laundering Regulations 2007 are in *Tolley's Yellow Tax Handbook Part 2*. The regulations show the procedures that were introduced, such as customer due diligence and record keeping. These are areas that I would recommend having highlighted so you can find them easily in the exam.

## In summary

It is to be hoped that the tips in this article will help you break down the guidelines into manageable chunks. Ethics cannot be left to the last minute as you need plenty of time to repeat the different guidelines in time for the exam.

Good luck with your studies. ■

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