

Ethics in accounting profession

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Ethics in Accounting Profession College Lecturer Ethics in Accounting Profession Introduction Professional conduct and ethics have an important role to play in the accounting profession as they ensure that there is public trust in the financial reports as well as the business practices. Therefore, ethics is seen as a cornerstone in the accounting profession and failure to be ethical in their transactions, decisions and any activity accountants are involved in might result into the ultimate collapse of a company. Ethics in the accounting profession requires that there is integrity, honesty, truthfulness. The accountants should also be willing to uphold policies that have been set by the local government as well as the federal state. This paper will look at some of the efforts and commitment in fostering ethics in the accounting profession and importance of ethics in the accounting profession.

Commitment to fostering ethics The accounting profession really values ethics; hence, workers in this profession have shown commitment on the issues of ethics that pertain to the profession. First, AICPA came up with code of professional conduct meant for everyone in the accounting profession. They came up with this universal code as a guide since people have different views when it comes to the issue of morality. The line between unethical and ethical practices in the accounting profession needed to be drawn so as to guide those in the profession in their practice. Everyone in the accounting profession needs to demonstrate that they not only know of its existence, but that they are also aware of how it can be put into practice. Secondly, there are self-policies meant for those that go against this stipulated code of ethics. It is a requirement for every Certified Public Accountant (CPA) to follow the American Institute of Certified Public Accountants (AICPA) code of ethics; they should pass an exam as well as have continued education on the <https://assignbuster.com/ethics-in-accounting-profession/>

topic of ethics after every two years (Longstaff, 2010). Licenses of those in the profession are revoked in case they are found guilty of ethical violations as well as criminal conduct. This clearly shows that there is a commitment in ensuring that ethical practices are fostered within the accounting profession. There are also efforts towards giving information on ethics and ensuring that the accounting professionals are ethical in their practice. Trust is a great asset when it comes to accounting since the organizations need to trust their financial experts when it comes to keeping the organization's matters confidential. This will ensure that they are aware of any imminent risks. It is, therefore, important for clients or organizations to have trust in the accountants, and if trust does not exist then there will be a complete loss of confidence. Accounting professionals should in this case ensure that they are ethical in their operations so that there can be building of trust between them and the organization. Integrity plays a vital role when it comes to establishment of the particular trust levels that are required in any organization (Javeed, 2010). Client's personal information Ethics are important when it comes to a client's personal information. Financial experts should be ethical in their practice such that they do not use a client's information for personal use or gain. All clients' information need to be also kept confidential and not open to third parties. Clients need to be confident that both the external and internal financial experts do not take advantage of the individual's information for their own benefit. The financial experts are also meant to be trust worthy and neutral when offering assistance and guidance in ways that are not potentially harmful to the organization, shareholders, employees and the customers (Javeed, 2010). Reputation of accounting professionals Ethics are important when it comes to reputation of

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those in the accounting profession. If the professionals are ethical in their practices, then they will remain strong and treat each other and the entire community with a lot of dignity that is required in the professional class. With this, the community will view those in the accounting profession as reputable in their practice (Vitez, 2012). They will be taken as people who are responsible and self-policing just like other people in professions like medicine and engineering. Conclusion Ethics are very important in the accounting profession since they act as a guide when it comes to the creation of norms which are considered important, those that ensure that users measure their progress and at the same time develop assumptions. Ethics is in this case not just mere morality, but is also an important character trait that each and every individual needs to build within them. Ethics, being a character trait, can vary from one person to another; hence a code of practice is always necessary during professional practice to act as a guide for behavior among the various professionals. The AICPA code of practice provides a set of standards for accounting professionals to use during decision making and to ensure that decisions made are morally and ethically right. References Javeed, A. (2010). Are Ethics Important for Professional Accountants. Retrieved April 12, 2013 from <http://www2.accaglobal.com/pdfs/international/pakistan/2955050> Longstaff, S. (2010). Ethics of the accounting profession staying out of the disciplinary committee. Retrieved April 12, 2013 from <http://www.ethics.org.au/ethics-articles/ethics-accounting-profession> Vitez, O. (2012). Chron. Ethics in the Accounting Profession. Retrieved April 12, 2013 from <http://smallbusiness.chron.com/ethics-accounting-profession-3738.html> <https://assignbuster.com/ethics-in-accounting-profession/>