

The concept of professional ethics

Business



The concept of professional ethics Business ethics plays an important role in working environment and could influence significantly on the way how employees execute their duties: whether they really want to accomplish stated tasks properly or just want to make semblance of diligent working. Four core principles of business ethics, which could be applied in any sphere of business, include impartiality (value opinions equally); rationality (examine and assess appropriately whether certain suggestions or actions are based on reasonable ground); consistency (apply the same standards in similar situations); reversibility (the same standards should be applied disregarding who has made a mistake) (McCubbrey, 2009). Main issues of professional ethics in auditing Especially essential the issue of professional ethics becomes in auditing as auditors usually work with very sensitive information and should be careful when derive and release it. It is enough to consider famous scandals associated with Enron, WorldCom, and Parmalat to understand that auditing activities imply highly considerate implementation of professional ethics. There are a lot ethical issues, which are important in auditing and the most essential of them are: “ integrity; objectivity, professional competence and due care, confidentiality, and professional behavior” (Kiernander, 2009). Integrity means that auditors should be honest and follow transparent policy when examining companies’ performance. In other words, they should not misrepresent the facts intentionally. Objectivity implies that professional accountants would not allow for conflicts of interests, falsification of information or illegal pressure on others in order to get more favorable results. The issue of conflict of interests could emerge when company management expected to get more optimistic results before examination and prefer to manipulate the data in such way, so auditing

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report would live up to their expectations. Such practice is completely inappropriate in terms of auditing ethics and should be avoided by all means. Another example of potential conflict of interest is associated with the situation when auditors work for companies, which are competitors, like Apple and Microsoft. In such case the issue of confidentiality becomes very important, which suggests that auditors should care of protection of the data they manage and guarantee their clients that there would not happen any information leakage. Professional competence and due care means that auditors are responsible for any frauds and errors in financial and other information that they check and should provide correct and unbiased recommendations after data analysis (Houghton & Campbell, 2005). Auditors are obliged to acquire enough knowledge to be able to assess companies' reports in a proper way. In case of revelation of various inconsistencies in provided information they have to mention about these contradictions in their recommendations. Confidentiality supposes that auditors should follow particular rules of confidentiality when work with sensitive internal information about companies' performance in order to guarantee their safety and avoid undesirable and dangerous consequences in terms of security leak. Professional behavior means that auditors are to meet certain requirements, which suppose that they know needful laws and regulations in order to derive valid and significant results (Advanced Auditing and Professional Ethics). Conclusions Although professional ethics may differ significantly among various kinds of companies and occupations, it is indisputable fact that ethics comprises an essential dimension of any kind of employment, which concerns mainly valuation of people's behavior at work, their relations with colleagues and company management. Professional

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ethics is especially crucial and important issue in auditing. Examination of financial and other information implies that such kind of data should be managed in very careful and delicate way. There are certain requirements, which are applied to professional accountants and include “ integrity; objectivity, professional competence and due care, confidentiality, and professional behavior” (Kiernander, 2009). Auditors are obliged to followed professional ethics regulations in order to provide their clients with safe and protected examination of sensitive information. References Advanced Auditing and Professional Ethics. The Institute of Chartered Accountants of India. [Online] Available at: http://cactusblog.files.wordpress.com/2010/09/8019supp_adv_auditing.pdf. [Accessed 15 March 2011]. Houghton K., Campbell T. (Eds.). (2005). Ethics and Auditing. Canberra: ANU E Press. Kiernander G. (2009). Professional Ethics in Auditing. The Hong Kong Institute of Accredited Accounting Technicians (HKIAAT). McCubbrey D. (2009). Business Fundamentals. Zurich: Global Text Project.