

Reporting practices and ethics paper critique essay

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Financial management of healthcare organizations can be a complex challenge for health care managers, from the basic elements of financial management to the heavy burdens of ethical compliance and accuracy. In this paper the subject to discuss is financial reporting practices and ethical standards in health care, how health care reform is changing and making these organizations more accountable, and summaries of generally acceptable accounting principles and general financial ethical standards.

Next, controlling is making certain that a plan is in place and followed in each area of the organization. Organizing staff and identifying the right skills with the right employees, making certain that plans are followed. Study financial reports and keeping past reports to compare the reports to ensure that the reporting lines are clear. The third element is organizing and directing, deciding what resources are most effective and how to use those resources.

The purpose is to run the organization smoothly, effectively and that comes with daily supervision of all the elements described so far. The last element of financial management is decision making. Managers make choices among the available information and alternatives given in the reports, logs, tracking made. All his or her decisions rely on this information; this is why it is imperative to have clear and accurate reporting. General Accepted Accounting Principles The General Accepted Accounting Principles (GAAP) are defined by the Federal Accounting Standards Advisory Board as “ standards, conventions and rules accountants follow in recording and summarizing transactions, and in preparing financial statements”. (Federal Accounting Standards Advisory Board, 2011) This gives the guidelines for <https://assignbuster.com/reporting-practices-and-ethics-paper-critique-essay/>

consistent reporting of transactions. Recent changes in our health care reform laws are changing the manner in which health care organizations are reporting finances. “ Overall, health care-related items are going to become reportable within one or more financial categories.

And that means companies will need to have controls and policies in place around that health care data. Whether companies store it in a human resources application or in a financials package, they need to consolidate that information and put the controls in place to ensure its integrity”.

(Capobianco, 2010) Financial reporting is already a well documented in most organizations, however these new reform laws are making the reporting not only a priority but also a necessity and accuracy a must. “ It may be cheaper to pay the fines; however, that may not be the best business position to take”.

General Financial Ethical Standards A simple definition of financial ethical standards is the accuracy of books and records, disclosures of reports and filings, and safeguarding personal and confidential information in compliance with regulations and laws. In recent years it seems the line between unethical and ethical standards becomes gray or blurry; however it is a black and white issue. To omit information or make something more or less than the numbers show it to be is unethical.

With financial reporting the manager has a duty to his or her employees to disclose the information to staff and staff to his or her manager. “ The employer has an ethical obligation to the employee to provide and publicize a safe and convenient mechanism for reporting violations or irregularities

that raise compliance concerns. An effective corporate compliance program, with appropriate communication channels to facilitate employee reporting and a mechanism to ensure the employer's response to an employee's concerns, can be critical to fulfilling this obligation”.

Conclusion Managers are the key to the essentials of finances in health care organizations. Attention to detail from the staff to the reports can make monumental changes in the direction of the organization. In past decades, organizations have made the news over and over again because management was ineffective, unorganized, and even unethical. A managers' goal is to command control over effective resources and allocate those by making decisions that are clear.