

# Reporting practices and ethics



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Healthcare managers always participate in many significant roles that definitely give them a chance to ensure that their organizations are well maintained and managed. The former have the obligation of understanding and applying all the decisive and required elements of management which include all the accounting standards and principles that are called for in their respective field. Ethical operational standards are also essential for the success of any healthcare organization and the managers should incorporate them in their plans, at all times. Managing the healthcare finances has always proven to be a headache since time in memorial. It calls for discipline and professionalism at all levels of management in order to realize this fundamental goal (Chuck, 2012). Revenues that are realized from the healthcare services and also expenses accrued are always necessary since they clearly illustrate the position of the organization in terms of the external and also internal finances that it may have. Those indispensable skills and qualities that are needed in the organization in a bid to administer all the finances of a health care organization include planning, budgeting and careful handling of all the revenue sets. In line with these, major elements that are essential include decision making, planning, organizing and directing, and controlling (Chuck, 2012).

### Planning

Planning is very essential in the success of an organization. It is necessary that the managers know the existing situation in the organization. Clear understanding of the resources available, strengths, weaknesses and opportunities that exist will put the manager at a better position to come up with a perfect plan for the organization (Charles & Steven, 2008).

## Organizing and Directing

This is an area that requires the manager to decide on how the resources that are available will be put to practice. It is where the manager has to ensure that the resources are well balanced in all the departments and sectors in the organization in order to avoid any shortfalls, either in the short run or long run. He or she also has to direct on how the organization has to run and how the policies have to be implemented (Charles & Steven, 2008).

## Controlling

It calls for ensuring that the plans and directions put in place are followed to the latter. The manager has to put in place mechanisms that will ensure all the plans that he has for the organization are adhered to and the sole goal of service and production is met (Charles & Steven, 2008).

## Decision making

The financial manager should be in a position to make choices in line with the available alternatives. He or she should always rely on existing data and financial analysis on the organization. The manager should never assume any details that exist in the information he or she is issued with by other employees and departments. He or she should incorporate controlling, organizing and directing in his decisions (Charles & Steven, 2008).

The generally accepted accounting principles clearly illustrate what the financial managers have to put in place in order to ensure that the progress of the company is in line with the ethical standards that are accepted globally. Financial managers have to ensure that they serve, operate, and

produce in line with the set ethical standards. There are many principles but the revenue recognition principle will be analyzed as it brings out the ethical call that managers have to employ (Schultz & Schultz, 2010).

Revenue is always earned and should only be recognized upon the delivery of the product delivery or completion of the service. This should not be done in regard to the set timing of the cash flow. This means that the assessment of revenue would be clearly outlined and policies set to define the best way to consider the revenue realized. A good example would be if one supposes a health organization orders one thousand syringes from a given wholesaler in January, receives these goods in February, and goes on to pay for them in March. The wholesaler will only recognize his or her sales revenue in February when the final delivery occurs, but not in January when he or she struck deal or in March when he or she receives the cash. This means that revenue should only be considered after the organization delivers the goods or offers a service to a client. Managers should, therefore, ensure that they stick to this principle at all times in order to keep in line with ethical standards.