

What are Ethics?



- A sense of agreement in a society as to what is right and what is wrong
- Ethics represent a set of moral principles, rules of conduct or values.
- Ethics apply when an individual has to make a decision from various alternatives regarding moral principles.

Objectives of Professional Accountants

- Work to the highest standards of professionalism
- Attain the highest levels of performance
- Meet the public's interest



5 Ethical Principles for Accountants

1. Integrity
2. Objectivity
3. Professional Competence and Due Care
4. Confidentiality
5. Professional Behavior



“And do you swear that this quarterly sales report has no accounting tricks?”

Integrity

- Imposes an obligation on all professional accountants to be straightforward and honest in performing professional services.
- It also implies fair dealing and truthfulness.



Integrity

- Professional accountants should avoid the intentional opportunity to deceive and manipulate financial information.

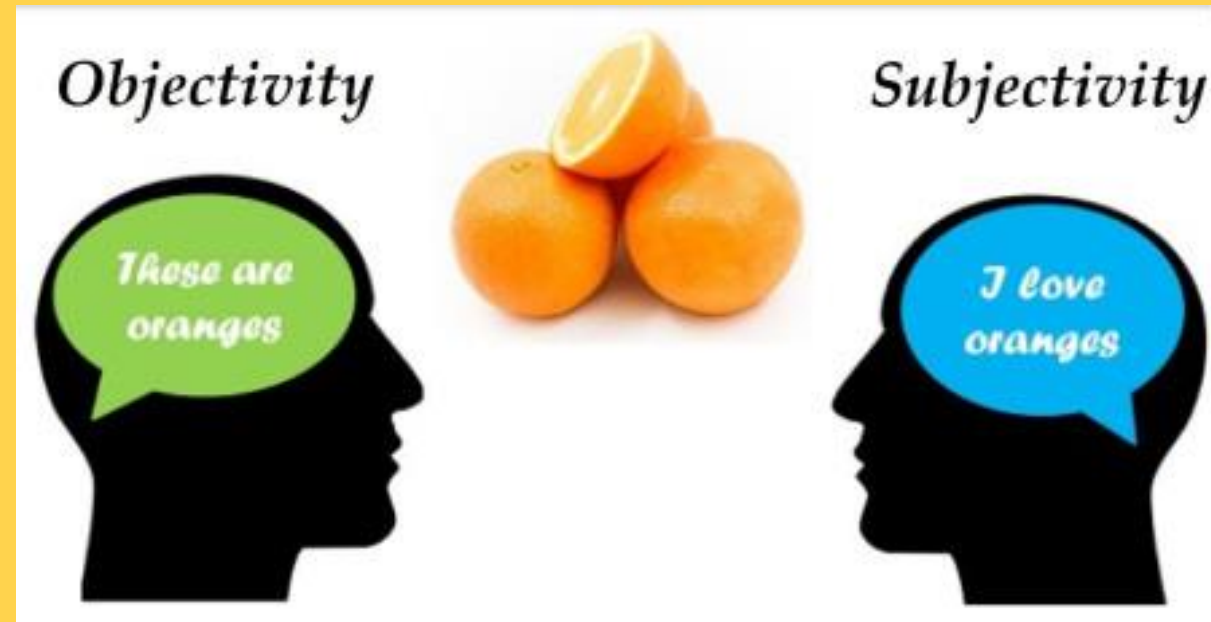
Integrity

is doing the right thing
even when no one
is watching

C.S. Lewis

Objectivity

- Imposes on all professional accountants not to compromise their professional or business judgment because of bias, conflict of interest or undue influence of others.



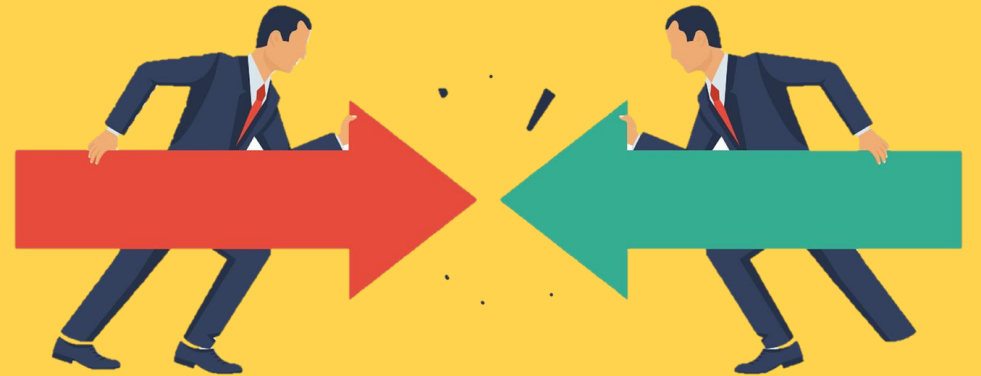
What is a conflict of interest?

- A conflict of interest arises in the workplace when an employee has competing interests or loyalties that either is or potentially can be, at odds with each other.



What is a conflict of interest?

- Causes an employee to experience a struggle between diverging interests, points of view, or allegiances.
- Are generally forbidden in company codes of conduct and/or employee handbooks.



What is a conflict of interest?

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"Try this—I just bought a hundred shares."

Professional Competence and Due Care

- As technology, legislation and best practices change, a professional accountant must remain up to date.
- To exercise sound judgment, an accountant must stay on top of developments that could affect a decision's outcome.



Professional Competence and Due Care

- Due care simply refers to the degree of care which is expected from a reasonable person under the circumstances.
- Means recognizing your skill level and not suggesting that you have expertise in an area where you do not.
- Consulting with other professionals is a standard practice that helps to bond a network of individuals and generate respect.



Confidentiality

- A professional accountant should respect the confidentiality of information acquired as a result of professional and business relationships
- They should not disclose any such information to third parties without proper and specific authority.

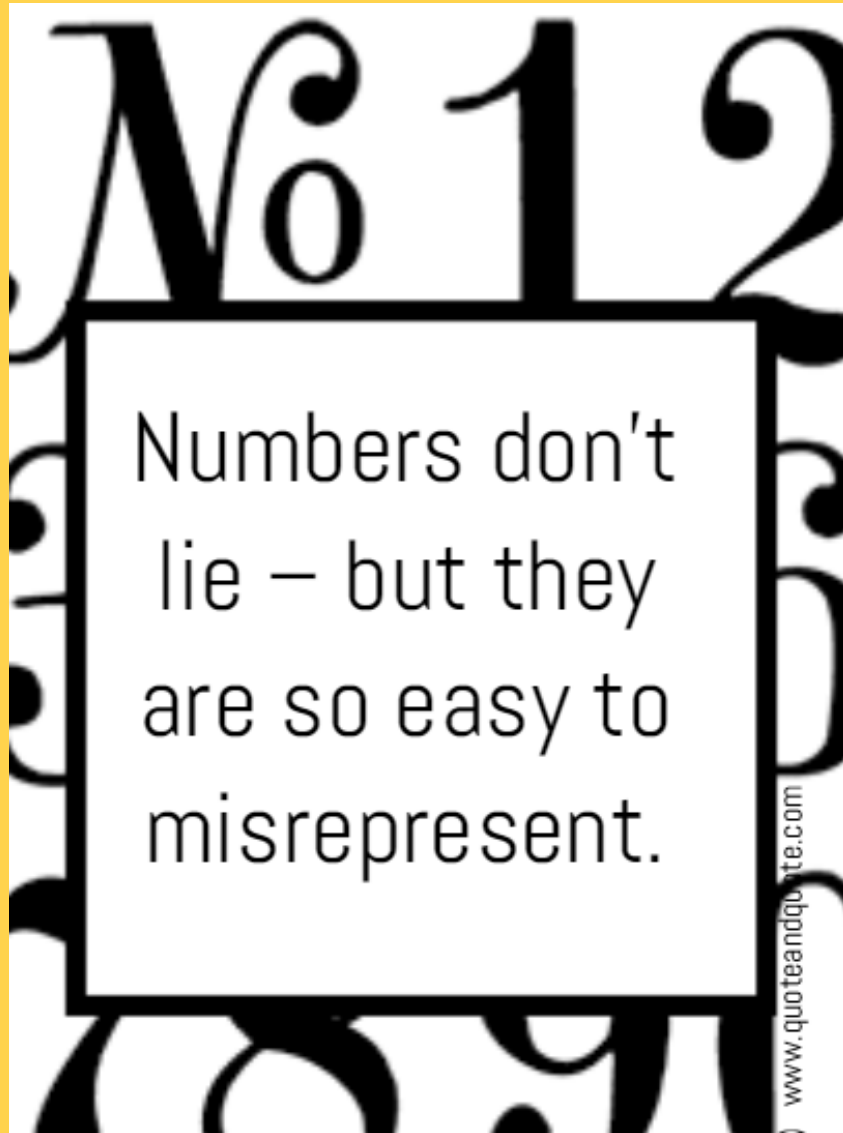


Professional Behavior

- A professional accountant should comply with relevant laws and regulations and should avoid any action that discredits the profession.



Closing - You can quote me



What do you think this quote means and how does it relate to accounting ethics?

Have a good day! Make some ethical decisions!

