

## Assessment of Chartered Accountant's Professional Practices and Ethical Systems: Lecture Review

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### Abstract

A professional accountant is a member of the accounting team with experience working for both private and public organisations. A professional accountant's code of ethics includes adhering to a few fundamental principles of the company's accounting system. Long-term social service by a professional accountant is made possible by the ethics of the accounting system. Integrity, objectivity, achieving professional competency, and professional behaviour are some of the key principles of accounting ethics that a professional accountant should be aware of. In the course of doing his job, whether in the business world or in the public eye, a professional accountant frequently runs across different hazards.

The performance and activities of the Auditors were examined in terms of ethics. They will adhere to ethical standards before acting in any way during the audit mission. Ethics is applied to personal ethical standards in various business situations, and the auditor can only gain the trust of those who use financial statements services provided, including audit services, by the commitment of its members to high levels of performance. Can this be supported by our research and evaluation of the professional standards adhered to by chartered accountants members and the ethical behaviour of professionals? Professional benefit from this behaviour in society and the profession as a whole constantly needs to build and preserve its reputation among other professions.

**Keywords:** Accountancy, Accounting, Ethics, Professional Accountant, Code of Ethics, Reporting.

### Review literature

The pertinent literature supporting this study focuses on earlier investigations into ethical problems, the causes of ethical failure, and the effects of ethics instruction on accounting students' ethical sensitivity and awareness. There are two portions to the literary presentation. First, the literature on moral dilemmas and potential reasons for moral lapses, such as conflicts of interest, ethical sensitivity, and the idea of moral reasoning as a basis for ethics, is discussed. In order to improve the moral behaviour of accounting professionals and as a method of restoring the reputation of the profession, the second section of the literature review explores the calls for more ethics education at both pre-qualifying and post-qualifying levels.

According to **Neu and Taerien (2000)**, there are three positions that the current interest in ethics has in relation to the profession's ethical past. He first makes the case that, although ethics have always been crucial, new circumstances demand new ethical standards. He then takes a second to reflect on the time when ethics served as the foundation for professional conduct and calls for a "back to basics" approach for the industry. His third strategy is functionalist, which maintains that ethics have been and will always be fundamental to the field. But according to the research, rather than in actual applications, these claims are more frequently heard in public remarks.

**Sakurai and Braithwaite (2001)** research was done on how Australian taxpayers view their favourite tax advisor. If they chose tax advisors who could conservatively minimise tax or inventive accounting specialists who can aggressively minimise their tax liability. The study indicated that law-abiding taxpayers favour prudently minimising tax agents, while opportunistic taxpayers always choose inventive tax agents. Another research shows that, rather than tax authorities, 77% of respondents said tax agents were the most effective in allaying their clients' tax-related concerns.

**Brinkmann (2002)** Ethics is a discipline that rigorously examines questions of right and wrong, good and evil, and virtue and vice. Ethics examines moral principles, human behaviour, and attempts to separate good from wrong. The codes of ethics of professional groups are the best place to start looking for common challenges being addressed in the corporate world. What we might think of as the reflection of corporate ethics is represented by these codes. Codes of ethics are formed on the

collective conscience of a profession as evidence that the organisation is aware of the moral dimension and should primarily address the specifics of high-risk actions.

**Smith and Smith (2003)**, A civilised society's foundation is made up of ethical values. Nowadays, ethical standards serve as a compass to guide and supervise people's behaviour in order to attain the best truthful and fair practises.

**Rao and Gupta (2004)** The expectation of the shareholders that the corporations should operate honestly, truly, and diligently in discharging their onerous obligations towards them has not been satisfied, according to examples of questionable accounting techniques used by the top Indian companies. To meet the expectations of the shareholders, a robust regulatory framework with suitable checks and balances is required. A professional accountant has an ethical obligation to protect the overall welfare of the institutions and community that they serve. In this sense, the professional conduct of members of the accounting bodies is governed by both technical requirements and ethical guidelines.

**McMurran et al. (2006)** claimed that accounting ethics increases profitability by lowering transaction costs, fostering a culture of effective cooperation internally, fostering stakeholder trust, and preserving social capital that is important to an organization's reputation in the marketplace.

**Baker (2007)** is of the opinion that Nigerian accountants, auditors, and professional accounting associations have very little integrity. The survey also showed that there were no appreciable variations between respondent groups' judgments of the necessity of auditors adhering to high ethical standards and the necessity of influencing the opinions of newcomers to the profession.

**Ajibolade (2008)**, According to this study, in order to retain the credibility of the profession, future professional accountants should be effectively trained in ethical standards, which is typical for professional growth and enhancement of services delivery in financial reporting and auditing.

**Oghene et al. (2008)** According to this study, the goal of ethics in an organisation is to instruct businesswomen and men to uphold a code of behaviour that supports, if not stimulates, public confidence in their goods and services. According to the International Federation of Accountants (IFAC), implementing a code of ethics aids in the development of a value-driven organisation and typically addresses an organization's underlying values, commitment to its employees, business standards, and relationship with the larger community.

**Doolan (2009)**, there are certain fundamental ethical concepts and standards that everyone can agree upon, and this research is predicated on the notion that people draw their ethical values from religious beliefs, historical precedents, literary works, or personal observation and experience.

**Adeyemi and Fagbemi (2011)**, the author came to the conclusion that the industry must focus its efforts on influencing the perspectives of recent recruits. The study's findings indicated that this is a critical first step in re-establishing the integrity of the financial reporting process, and it may be accomplished through solid ethical training. Maintaining vigilance in how members of the profession carry out their tasks will be greatly aided by adherence to and enforcement of the high ethical standard for members of the profession.

**Ogbonna and Ebimobwei (2012)**, they examined the impact of ethical accounting standards on the reliability of bank financial reports in Nigeria and came to the conclusion that the data analysis indicated that ethical accounting standards had an impact on the reliability of bank financial statements.

**Antonio Argandona (2012)** has claimed that ethics is a necessary element of balance for people, groups, and communities. Because the agent changes everytime an action occurs and causes changes in others, this equilibrium is dynamic. He claimed that the economist, taking into account the ethical standards, would find ethical solutions in finance rather than the moralist. He came to the conclusion that ethics based on external standards (laws, societal norms, business codes), rather than on the actor, may not be the best principles for behaviour.

**Akadakpo and Izedonmi (2013)** argued that codes that are on the verge of independence, honesty, openness, and objectivity are those that are broken the most frequently. Members of the Association of National Accountants of Nigeria (ANAN) or Institute of Chartered Accountants of Nigeria (ICAN) take assignments without first receiving professional approval from auditors or consultants. Some members also violate accounting ethics, including by misrepresenting financial data, embezzling,

engaging in dishonest or unethical behaviour, failing to disclose a conflict of interest, and amassing presents to influence decision-making.

**According to Jamnik (2017)**, Ethics are extremely important, and this cannot be emphasised enough. Since this will improve the acknowledgment of ethical principles in the conduct of business and professional activities on a regular basis, it is necessary to adopt the thematic approach in educating professional accountants on ethics in order to meet global ethical standards and to accommodate differences in the ethical traditions and practises between nations and cultures.

### Conclusion

Accounting professional ethics present a significant teaching problem for instructors in programmes for lifelong learning. The challenges come in many forms, but they largely stem from the "softness" of the accounting ethics problem, cultural factors that affect how this problem is taught, or challenges related to the verification of educational outcomes. Finally, it is important for teachers to undergo particular training in order to explain sensitive issues that cause conflicting emotions and behaviour, as well as to demonstrate certain attitudes via their behaviour that students may follow often unconsciously in class. Conducting specialised training on professional ethics in accounting for trainers might be helpful in ensuring their readiness. According to the author's experience, the LLL programme trainers want such seminars. They ought to follow a methodical process and actively include trainers. The trainers gain awareness of features and situations typical of the course of an ethical dilemma analysis and gain sensitivity, particularly to those of them which, although new or difficult for them, require their special attention. This is important for teaching participants because it allows trainers to demonstrate how difficult it can be to analyse ethical issues, even if they are unreal for them because they are presented as ethical dilemmas.

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