

Challenging Ethic Facing the Professional Accounting in the Today World

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ABSTRACT

In today's world economic system is complex, requiring the presence of advanced professional accounting based on morality and good behavior. Ness and accounting for differences relative to other professions in society responsibility towards the public. Accordingly, the community has high expectations for the people working in this profession are one of the main expectations and presentation of the financial statements and the information they need so that they can have confidence. Building trust and integrity, professional duty but failed to act in the round. In this paper first analyzes the current state of the profession, as discussed given the problems that plague the professional and ethical reasons have been cited and finishing solutions that will overcome these problems and revitalize the reputation of the accounting profession is presented, so the future of the accounting profession to its historic role in the success and prosperity of a nation's economic growth just continues.

KEYWORDS: ethical issues, business accounting, accounting ethics, professional ethics, code of professional conduct

INTRODUCTION

Accounting profession and discipline of most of the businesses operating in today's market economy is to count and because of the nature of the service that is responsible for its authenticity is certain to enjoy. This profession requires continuing attention to deboning of accounting theory and practice ethical beliefs and behaviors. Necessary for optimal allocation of its limited resources and the development of capital markets for investments in financial institutions, the financial information is reliable. The purpose except to perform normal administrative process based on ethical principles of accounting is not possible (Tehrani, Ghazi Tabatabaee, Khalifa, 2005). The dictionary definition of ethics Ali Akbar Dehkoda their ethics as "collective mood" and the ethics of the "knowledge of good and evil Khoi" are defined. Encyclopedia of Ethics companion to "review and evaluate actions in terms of human morality" is defined and added that about human consciousness and his responsibility for his actions throughout history, various theories have been expressed by many factors such as different companion's philosophy, religion, ethics, known by instinct and experience. (Sarlak, 2008) in Encyclopedia of Ethics Great Britain is divided into three strands:

- A. No ethics or meta-ethics: concepts and issues concerning the nature of moral judgments deal an order or normative ethics;
- B. It referred to criteria for how to live. Also refer to the definition of terms such as good and evil, right and wrong, rules for consideration the right to live.
- C. Applied Ethics

The normative ethics and applied ethics actually goes on normative theories of ethics on issues like human rights, justice, equality and.... it discusses. (Copland, 2005) Look Selzam (1996) ethics properly begins when a reasonable person search terms were accepted rules of behavior. Because she could no longer follow the rules that were merely of traditional sacred and knowledge of matters including ethics, descriptive ethics, normative ethics, and ethics are critical. According to the author of this paper to overcome the ethical problems gripping the country, especially in accounting, you should have gained enough recognition. This means that the study of ethical theories and discover the advantages and disadvantages of each of these theories, the theory chosen with proper planning and detailed planning and discussion of moral lessons to learn and the selection of appropriate solutions in accordance with the Code of Ethics and Code of Professional Conduct reasonable needs of communities. Obviously, the implementation of the provisions of this Regulation and continuous monitoring can largely overcome the ethical problems and lost the confidence of investors and business owners as a result of the gradual decline of morals in some enterprises and large corporations like Enron, Anderson, World Com, Adelphia, Global Crossing, and Qwest occurred and resulted in a terrible loss to the community and businesses were born to win. (Mehdi Kho, Khotan Lu, Abdul, 2005)

Accounting profession and ethics:

Accounting professionals have been invented by humans, and is the sum of the rules and methods which they are applying, financial and economic data collected and classified establishments and the information is understandable and has a message for those interested parties who require such information for decision-making are also offered. According to the above definition to achieve useful information, is required to submit this information apply to those specific features that are characteristic of so-called professionals have. These features include:

- A) Accepting the task of serving the community

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B) Existence of minimum predetermined prerequisites for entry into the profession, such as specialized knowledge and skills obtained through education and experience

C) Deboning and adherence to a set of principles and values that are specific rules and regulations and are professional (Technical Committee, the Audit Office, 2006).

Accounting profession is critical in today's modern world, because the world economic system cannot survive without it. If there is no way to measure and calculate the distribution of wealth in enterprises and it how is not available, trade will be stopped. Life-traded funds provide an accurate picture of events on the economy, there is no accounting, can be traced. It is therefore essential to consider accounting as a good career in track financial events in a large network of today's global economy and the sensitivity of the issue in the relationship between investors and investment, the existence of moral commands, operating in a double role. People's expectations of professional, highly sophisticated quality of service and the public must have confidence provided by the accounting profession. Maintain public confidence in the accounting profession as long as possible is the Professional Accountants, their services are provided at a level that is worthy of the trust of the community. The accounting services to the highest possible level of compliance with all legal and humanitarian standards to ensure durability, quality requirements, and may be appropriate (Vlaskoz, 1991). Produced by the professional accounting service users, particularly those users of financial statements to make decisions on they expect a high degree of information provided by the accounting system attributes such as functionality, reliability, objectivity, and be realistic. And as such persons, shall also apply to the preparation of this report would like to know the characteristics "Honesty, fairness, confidentiality, professionalism and competency and professional care practices and behavior in such a way that the public interest would be reporting act. But by examining the behavior of the accounting and auditing firms in recent notice unfortunately, despite all the measures taken, which include:

Accountants and auditors are ignorant about the fundamentals of accounting ethics education due to lack of personal interests, threats, close relationships, support or oppose the appeal, the principles described in the above defects and problems for the accounting profession has emerged. (Lehman, 1988)

Some accounts problems at present:

1. There is a competitive market in the world economy and trade:

This issue can be examined from two perspectives:

A) The accounting and auditing institutions: accounting and auditing firms competing in consequence leads to behaviors the large supply of audit services is unethical. So that in some cases may cause harm to the principle of the independence and integrity in relation to professional services, with the aim to obtain new customers or retain existing customers, this would be accomplished in two ways:

A-1) of the violation of the code of professional conduct and practice behavior that is an example of something that cannot In short the work of an independent auditor (the preparation of financial statements by an independent auditor, financial services)

A-2) less than the pricing of audit services:

Institutions in the world today are based on a rate in each country is determined by the competent authorities in the accounting and auditing to pay for services. In this particular audit firm or an auditor fend off rivals or retain existing business to perform services for less than the amount at the rate for the group. Naturally, in this respect, honesty, these companies should be examined whether the company can apply these policies tend to bear the losses caused by the services. Obviously, this is not reasonable, and it seems that these companies will compensate loss to quality of service, lower prices. Another type of price reduction service, offering significant discounts compared to the approved rates for services. It is clear that the norm is offering a discount to the extent that it is reasonable but excessive size and growth of this institution in a way that is not justified as a routine and professional integrity called into question. (Bates, 1999)

B) Employers and enterprises performance:

There are professional services of accounting firms as acceptors and institutions of accounting and auditing of the system mismatch of supply and demand in the market and it has caused due to many requests from employers who are in the market for audit services and also the lack of work, their demands imposed on institutions providing accounting and auditing services and they get to do things like reduce rates or providing services over what has been done in the employment contract, to accept it. It tends to undermine the independence and integrity of accountants and auditors is. (Bates, 1999)

2. Due to the increasing wealth and welfare benefits rather than as an end in enterprises:

In recent decades, the accounting profession, by environmental pressures and the desire of big companies to report higher earnings and deceive investors, perverted pressure is irreparable. Corporate accounting fraud through the use of top managers and their reputation, have been handling such violations. Current global economic situation and the economic recession that afflicted capitalism is the result of such actions. Companies such as Enron, WorldCom, Tycho high profile examples of unethical behavior in today's world. The company aims to achieve these gains were violated ethics is illusory. This is justified, as the aim of reaching a profit by any means is not even a moral transgression. Greed in the favorable trade and condemn this theory are considered. And engine of the companies to realize increased profits. However, if the wealth and welfare as the goal was raised in institutions, reputation, integrity, honesty, good morals, public trust.... and profits, all latest in a series of more than profit (increase revenues) was considered. The fact that a

dignified life more satisfying than fame and fortune. Public confidence in the long-term future requires ethical behavior that can be continued to have benefits for enterprises. (Conference of Ethics in Accounting, 2008)

3. Accounting Services Diversity

The main role of accountants providing a view of the business and financial performance of an organization, while a role of others such as auditing, accounting, tax, accounting management, financial planning and advice are also responsible. These tasks are especially conducive to the consulting and financial planning has been the traditional way of preparing accounting and financial reporting and financial planning consulting and design to move. Many believe that this evolution has created a moral crisis use professional reliance in the past, society had towards him was declining. Company's violations of Enron and Anderson are as an example for this case is considered. On the other hand, employment has been made, such as consulting and financial planning the task of auditing the accounting profession was seen as the heart, the incorrect use of it is almost unnoticed, or if it will not result in the reporting of its usefulness. (Byrnz et al, 2002)

4. Lack of Code of professional behavior compatible with the time and place:

Run by professional accountants in order to protect public confidence and avoid creating suspicion of members of professional activity should be placed at the head of the principles of professional conduct. One way to achieve this is to develop a professional code of conduct. Members adhere to a code of conduct and that they share a common value system imposed by the authorities governing professional and also accept the duty and responsibility of the accounting profession objectives can be reached. Therefore, the accounting profession must actively study the market in global trade and economic system dominated by environmental and occupational expectations finally, the religious beliefs of the professional work environment, to develop their own code of professional conduct. (BOK-1978) Code of Professional Conduct and Code of Ethics to help says Unpredictable behavior can be inhibited by the professional members and restraint between them strengthened. By providing framework codes of ethics, correct execution of tasks in different situations when dealing with states. Editor Code of Professional Conduct at the record shows, in countries that have a long history of professional societies Code of Professional Conduct has been developed over the years and has been revised several and implemented, and its members are required to implement it. Although these activities have taken place but is not enough. The issue of updating and modifying it, according to the economic development of innovative technologies worthy attention is not pleasant. Studies show there are substantial gaps in the Regulations is subject, so that it is able to respond appropriately to prevent fraud and unethical behavior within the profession. (Beck, 1978)

5. Form on the principles and processes of ethical behavior:

Due to the complexity of the business and economic situation of modern societies, behavioral indicators of particular importance in the development and training of professional staff to enhance the quality of performance and has a great impact on the activities of accountants. During the study (Beets) for the accountants familiar with the features (codes) carried behaved, It was found that 48% of accountants with changes in the laws of 1977 and 1992 do not have information have acted on the basis of previous laws. So on this basis can not only improve the quality of legislation and ethical behavior by accountants they had hoped. On the other hand, this study brings the message accounting graduates and students of these professions do not have adequate knowledge of the ethics this is the result of three categories.

1 Lack of proper subjects of moral behavior 2 the failure of the materials included in the curriculum of universities and vocational training centers specialized accounting staffing 3 the use of inappropriate practices in ethics education (Bates, 1992). In another study it was determined that the moral code as a key factor, accountants provides guidance on the role of information and they took knowledge of dealing with issues and decision-making will lead to fewer mistakes in their judgment. (Scribner and Dillaway1989)

6. Lack of enforcement of existing regulations of professional conduct and professional societies:

According to enforcement of any law, regulation, enforcement of laws and regulations require the container to be a reflection of society. Usually, the implementation of laws and administrative practices of the two methods are possible.

1. Policies and incentive measures
2. Policies and disciplinary measures

According to this approach in the implementation of the Code of Professional Conduct and ethical behavior by individuals working in the accounting profession, policies should encourage and appropriate disciplinary action against any act done by the executive and practitioners, compiling the collection. Naturally, given the complexity and variety of behavioral issues that arise, bodies responsible for the formulation of laws and ethics of the accounting profession are convinced continuously employed in professional behaviors observed and there was proceeding with their state laws. On the other hand they have to guarantee the implementation of the code of professional conduct in a professional association statutes relating to predict. Disciplinary actions may be anticipated by the parties concerned, or legal entities jointly done. (Tan, 2003)

Examples of ethical problems in modern accounting:

Overview of the global market represents massive corruption and fraud in the government enterprises. Undoubtedly, economic experts believe that the auditor's responsibility with regard to the regulatory role of the government in the competitive market, which is expected to highlight the role. Our success rate is restore the tarnished

reputation of the accounting depends on this to what extent the social and professional values appreciate over monetary profit. The following are examples of the thousands of violations have been conducted in recent decades to the point to be noted. In March 1999, Wright come lawsuit against the company and its senior management team and staff were provided, them to commit fraud, unrealistic and inflated reported net income, generally accepted accounting principles, violation of non-disclosure of information concerning the operation and performance of unsuitable trading company accused. Meanwhile, the auditors also failed to disclose that they were cheating. (Doska, 2003) Securities Commission in May 1999, a lawsuit against W.R. Grace for reporting capital market partners prepared to throw off the numbers. The commissioners, managers and store grease secrecy are not part of the profit forecast for later charged. He claimed that in 1995 the company reported a profit of their choice, a portion of the profits is used to hide data. Securities Commission alleged that auditors audit firm Price Water House is aware of this account, But to justify the "unimportant" has been overlooked (Katz & Miller, 1999). In January 2000, the New York Times has reported that the Securities Commission to realize the partners and employees of the audit firm Price Water House and Coopers typically the laws that prohibit them from an audit of the companies has been transgression. Studies indicate that 8046 was a violation of the company and fired five partners. (Michael, 2000) Detailed survey conducted by the Securities Commission, has shown that a high volume of fraudulent accounting, corporate auditors, including: Cen Dant, Sun Beam, Livent, is ignored. As a result, hundreds of millions of dollars of shareholder confidence in the company's expense and accounting has been tarnished. (Birnz et al, 2002) In December 2001, in the midst of Enron executives unveiled the secret cooperation accounting and other non Bndbary, the largest bankruptcy in the history of America filed. Six weeks before Enron's 1997 revision to its profit and loss figures presented and approximately \$ 600 million in profits reported reduced. (Birnz et al, 2002) However, many tales of unethical behavior have been reported Accountants and Auditors But not in all these cases, accounting and auditing and accounting firms considered the main suspect. All these cases show the sensitivity of the issue and is accounting for these moves have been made in the last decade the importance of ethics and ethical behavior in business, people are more enlightened. I hope this starts to pay more attention, to have happy ending.

Ways out of ethical problems:

Due to the problems described in the above referenced case, for example, it seems should be a fundamental rethink in terms of values and morals done. So that the function of accounting and auditing profession, to comfort all who are interested to consider. This is not possible unless action based on ethical behavior, strong where neither the welfare of the international community nor the wealth of an individual or a particular group is targeted. To go out of the current situation and professional excellence in achieving the principles of good ethical behavior, in an effort to be comprehensive, coordinated, professional bodies, universities, governments, and all practitioners have attempted it. (Astanga, Tvprn, 1991) Naturally, the following solutions may be appropriate for a situation opens the door to the community of accounting and auditing:

1. state in capitalist countries that have influenced the accounting profit and the private sector can act and stronger laws and regulations to deal with people who commit criminal acts are contrary to the ethos of pay. For example, the government of America in 2002 after the scandal caused by the companies Enron, Andersen and WorldCom, acted and passed a law under which any provision of no audit services to clients Auditing banned. It would be your front behavioral professional institutions to accept the task, except what must be audited in accordance with the contract do not. On the other hand, for-profit companies are also convinced that the auditors other than in accordance with the contract do not expect. Governments can also consider legislation under the new conditions of employment for applicants.

Ethics in the work of component licensing of CPAs and the rules stricter obligations of the accounting process considered and even lead to the revocation of a permit violation will be deemed temporarily or permanently. (Allison, 2001)

2. The disciplinary regulations codified and updated and active follow-up and monitoring of the application of law and regulations:

Governments and professionals can study and feedback to strengthen laws enacted laws and regulations taking according to the new legislation and alternative time and place to run.

This leads to greater dynamism and effectiveness of laws and regulations with regard to the views of the government and the professions. On the other hand, ongoing publication of rules and regulations and also reports of law enforcement against offenders adopted professional society on the study results.

People are willing to do so for ethical and unethical behaviors also can be avoided. (Rahna, Goudarzi, 2010)

3. the settlement discussions regarding the auditor's responsibility to detect fraud are:

In recent decades, the discovery of the fraud, there are two approaches:

A) a view that auditors are biased. In this view, the scope of the auditor's responsibility for fraud detection limit was in other words, the duty of auditors to detect fraud include in the financial statements published by the company is not.

B) the second orientation relative to the expectations of the auditor considers and the auditor's responsibility for detecting fraud in the view range is wider and believes that society expects auditors have reviewed the financial statements they have provided an unqualified audit report and to be reliable. This ensures only the auditors responsibility for detecting fraud is not Missouri.

However, should the accounting and auditing profession and government agencies that are responsible for the actions and behavior of accountants and auditors are responsible, clear responsibility of the auditor to be taken if the behavior is immoral, clearly be attributed to the practice of law offenders. (Askari, Rahna, Goudarzi, 2009)

4. Enable the role of professional associations in the formulation:

Ultimate only way of enforcing the law and enforcement provision in the statutes of the association, and professional and centralized monitoring its implementation measures appropriate to the type of violation committed

B) - establish specific criteria for the members of such special training courses in Professional Ethics at the beginning and in the process, no criminal background (Katz, 2006)

5. Establishment of a database of members' professional career by working with the government as a surveillance device it comes with two main objectives are:

(A) Establish an information center for evaluation and treatment of Accountants and Auditors

(B) Employers are looking for accounting and auditing professionals to access the database and to prevent their ouster information (Katz, 2006)

6. universities, institutes and training human resources should also play a vital role in the movement of harmony and thoroughly play the most important of them are listed below:

A) Revision of the training practices of accountants and auditors: The appeal should be considered in terms of quality and quantity. Measures such as:

Adding a course entitled, ethics in accounting theory, ethics and professional conduct, ethics in interactions with companies and users of financial statements and audit reports, etc.. Naturally, in the course of public morality shall be in addition to acquaint students with the professional ethics of the accounting equation explaining during training students to be trained in theoretical and workshop. It also changes the accounting curriculum and inclusion are part of moral education and changes in the organization of training courses, workshops and collaborative way of mere theory might be effective steps taken.

B) Revise the outlook of accounting:

In this regard, measures will need to be described in the following

B-1) Critical accounting based on critical moral and replaces it instead of the current positive accounting:

Critical accounting with a focus on conflict and trying to strengthen its accounting. Accordingly, critical ethics in accounting question the ethics of the profession today is based on utilitarianism, morality is based on communicative action is brought. That makes it the first students to analyze and critically look at the standards and code of professional conduct them. This leads to intellectual excellence in the development of the accounting and professional ethics.

B-2) to change the value of the ratio of managers to staff in university courses taken and governance values such as integrity and social values such as: Honesty, justice, truth, honesty and insightful quotes that seem important to be included in instructional materials. This can cause long-term replacement of moral purpose and social welfare rather than profit for a certain class of the source of all wealth and social immorality of accounting is used.

B-3) conducted a qualitative change in the assessments as traditional academic tests: This issue is discussed in detail if you want to do this outside of the poor and the need for independent research. But if we will look briefly discuss the moral lessons must radically review the types of fraud, fraudsters, victims of fraud, computer recognition and incentives for fraud as analytical as test materials, be considered. (American Accounting Certification Center, 1998)

Conclusion:

What is presented in this paper will suggest that the time to unbridled capitalist system due to a violation of the values of ethics and social benefits, criticized and alternative concepts like responsibility and ethics at the top of the practice of public accounting, government agencies and universities, in a move consistent with the types of skills required to prepare graduates for work practitioners and students who are the future leaders of business the effort to educate. The future of accounting profession's ethic is for leadership and professional accountants and business coach. It is necessary to explain the importance of good values and moral standards, current practices and future direction, as well as lead to the dignity and integrity. If you take the role of the accounting profession in the business world and the economy, based on justice was highlighted more and the precarious position of current accounting firm will be in the not too distant future.

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