

Understanding Accounting Ethics

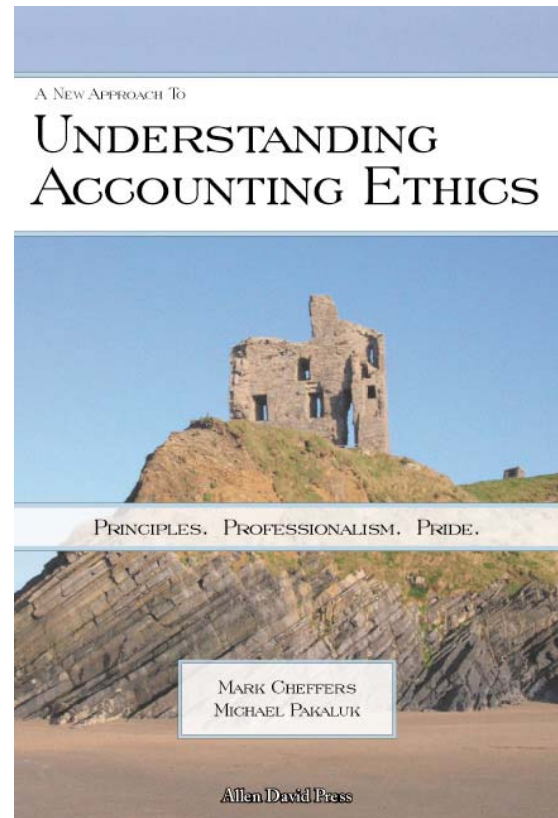
Overview:

Decisions to invest or lend large sums of money are often based, not on direct inspection, but on someone else's informed say-so. These decisions are based on trust. Where trust is destroyed, as in countries marked by corruption and graft, businesses cannot flourish. Accountants provide the conditions of this trust, by reliably averring, either to management or to external investors and creditors, that a financial statement gives a fair presentation of the actual condition of a company. If trust is a kind of social capital, accountants provide some of the most important capital to an economy. It is in this respect that the profession of accounting is asked to be even more altruistic in its ethical conduct than even the medical or legal professions. Medical doctors have patients, lawyers have clients, accountants have sometimes unknown persons relying on their objectivity and integrity. This is true altruism.

A new book, "A New Approach to Understanding Accounting Ethics" and its accompanying online CPE course uses the notion of virtue to explain how the Code of Ethics for accountants follows from the distinctive role that they play in society. This book delivers insights and revelations about the bedrock tenets of the profession that will literally surprise and intellectually challenge even the most experienced of accounting and auditing professionals.

Answer the Questions:

- Why isn't it enough if I simply follow the rules?
- What makes an accountant a professional?
- What is an accountant's true "product" or "service"?
- If it's a judgment call, is it subjective?
- What do we mean by the "public interest"?
- Can ethics be taught?

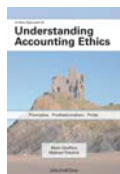


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Lesson Plans
PowerPoint Slides
Discussion Questions
Research Paper Topics
Supplementary Readings

What Professionals Are Saying About



“A New Approach to Understanding Accounting Ethics”

by Mark Cheffers and Michael Pakaluk

To Mark Cheffers and Michael Pakaluk:

I want to pass on my sincere congratulations and appreciation for your outstanding book. I have been a CPA for 30 years and after reading it for the second time over the weekend, I want you to know I cannot remember a time I have felt more pride and respect for our profession. You know some of us old CPAs were brought up under the tutelage of CPAs who began their careers in the 1940s and even before. Back then as I remember it, there really weren't any ethics courses, per se; we just went to work and were taught to do the right thing every day without giving it much philosophical thought. I am almost embarrassed to admit your book is such a revelation to me as it provides such terrific insight into the bedrock tenets of our profession. Congratulations and thank you again.

George W. DuRant, CPA/ABV, ASA
DuRant, Schraibman & Lindsay CPAs

Greetings! I would like to thank you for your text *Understanding Accounting Ethics*. I have taught business ethics and accounting ethics as parts of various courses over the years, even though this was never part of my training as a CPA. The virtue-based approach you employed has completely changed what I do and how I do it. It is much more logical for me than other ways of teaching accounting ethics and is more consistent with our ethos here at Anderson University.

I know my liberal arts colleagues would say that Aristotle was there all along, but I thank you for putting the concepts into the accounting profession. It is a great help for those of us teaching future practitioners.

Sincerely,

Cindy Peck
Falls School of Business, Anderson University

“An in depth view of what has been and always should be the cornerstone of accounting – ethics.”

Jonathan Hamilton
Editor, *Public Accounting Report*

“Given the cataclysmic impact of Enron/Andersen, WorldCom and other financial reporting meltdowns, *Understanding Accounting Ethics* is a text that is long overdue. Cheffers and Pakaluk dissect these disasters and explain convincingly how they were symptomatic of a systemic decline in accounting ethics over the past generation. The book also shows how, when accounting ethics decline, then the legal wolf’s appearance at the accountant’s door is imminent. I recommend *Understanding Accounting Ethics* to all accountants – students, professors and practitioners.”

Ross D. Fuerman – Associate Professor of Accounting, Suffolk University, Boston.

“In the aftermath of recent corporate scandals in the accounting profession, Messrs. Cheffers' and Pakaluk's *Understanding Accounting Ethics* could hardly be more timely and, indeed, more relevant. This thought-provoking discussion is filled with invaluable insights for any conscientious accountant who seeks to restore the public's trust in the profession's code of honor, accuracy, and discipline. As the authors note: 'There can be no true professionalism without attention to ethics.' Given accountants' critical role in elevating investor confidence in public equity markets, the accounting profession needs to re-establish the ideals of professionalism and ethics that have been its hallmark for many years. *Understanding Accounting Ethics* will contribute meaningfully to this important effort.”

Peter T. Sinnott
Manager, Accountants' Professional Liability, Fireman's Fund Specialty

“*Understanding Accounting Ethics* is a timely review of an accountant’s professional role, and the sometime conflict between client service and professional ethics. Drawing on the accountant’s role in famous corporate failures, Cheffers and Pakaluk highlight the ethical issues and key decision points that ultimately led to these accounting implosions. They have written a readable accounting ethics book suitable for both accountants and senior corporate managers.”

Martin Roper
CEO, Boston Beer Company