




ACCOUNTING ETHICS



Conf.univ.dr. Victor-Octavian Müller
victor.muller@econ.ubbcluj.ro
www.econ.ubbcluj.ro/~victor.muller

Aspects regarding evaluation and attendance


The final grade will be computed as follows:

- ❖ Elaboration and presentation of a paper on a given topic **20%** (within the course)
- ❖ Presentation and discussion of two case studies **40%** (= 2 x 20%) (within the seminar)
- ❖ Active participation in the discussion of the case studies presented by your fellow students during the courses and seminars **10%**
- ❖ Written exam at the end of the semester (multiple choice) **30%**

The students' attendance is:

- ❖ Optional for the courses (except the course when the paper will be presented, the preceding course and the succeeding course)
- ❖ Obligatory for the seminars.

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Course Structure


- The International Federation of Accountants and the Code of Ethics for Professional Accountants
- The Fundamental Ethical Principles for Professional Accountants
- Enron: The Smartest Guys in the Room (Documentary)
- Ethical Issues Concerning Professional Accountants in Public Practice
- Inside job: The Global Economic Crisis of 2008 (Documentary)
- Ethical Issues Concerning Professional Accountants in Business (students' presentation)
- Other Ethical Aspects regarding the Accounting Profession (students' presentations on given topics)


 28.02.2017 3



Topics for the Student Papers:


- ❖ Presentation of CECCAR and of the accounting profession regulated by this organisation
- ❖ Presentation of CAFR and of the financial audit profession regulated by this organisation
- ❖ Presentation of ACCA and the ACCA qualification
- ❖ Presentation of IASB and an overview of the issued standards
- ❖ The OECD Principles of Corporate Governance
- ❖ The Romanian Code of Corporate Governance issued by the BSE
- ❖ The "Comply or Explain" Statement of OMV-Petrom (or other Company listed on the BSE)
- ❖ The dualism of one-tier and two-tier board systems around the world
- ❖ Ethical Issues Concerning Professional Accountants in Business

 28.02.2017 4



International Federation of Accountants (IFAC)

- ❖ The International Federation of Accountants (IFAC) is the worldwide organization for the accountancy profession.
- ❖ Founded in 1977, its mission is to serve the public interest by continuing to strengthen the worldwide accountancy profession and contributing to the development of strong international economies
- ❖ IFAC is comprised of 159 members and associates in 124 countries worldwide, representing approximately 2.5 million accountants in public practice, industry and commerce, the public sector, and education.
- ❖ No other accountancy body in the world and few other professional organizations have the broad-based international support that characterizes IFAC.



28.02.2017

5




International Federation of Accountants (IFAC)

- ❖ IFAC's governing bodies, staff and volunteers are committed to the values of integrity, transparency and expertise.
- ❖ IFAC establishes and promotes adherence to high-quality professional standards, furthering the international convergence of such standards, and speaking out on public interest issues where the profession's expertise is most relevant.
- ❖ In pursuing this mission, the IFAC Board has established the International Ethics Standards Board for Accountants (IESBA) to develop and issue, under its own authority, high quality ethical standards and other pronouncements for professional accountants for use around the world.
- ❖ In order to reinforce professional accountants' adherence to the values mentioned above IESBA issued the *Code of Ethics for Professional Accountants*.




28.02.2017


6



Code of Ethics for Professional Accountants


- ❖ This *Code of Ethics for Professional Accountants* (IESBA Code) establishes ethical requirements for professional accountants.
- ❖ A member body of IFAC or firm shall not apply less stringent standards than those stated in this Code.
- ❖ However, if a member body or firm is prohibited from complying with certain parts of this Code by law or regulation, they shall comply with all other parts of this Code.
- ❖ Some jurisdictions may have requirements and guidance that differ from those contained in this Code.
- ❖ Professional accountants in those jurisdictions need to be aware of those differences and comply with the more stringent requirements and guidance unless prohibited by law or regulation.

 28.02.2017 7



Code of Ethics for Professional Accountants: Introduction

- ❖ A distinguishing mark of the accountancy profession is its acceptance of the **responsibility to act in the public interest**.
- ❖ Therefore, a professional accountant's responsibility is not exclusively to satisfy the needs of an individual client or employer.
- ❖ In acting in the public interest, a professional accountant shall observe and comply with this Code of Ethics.
- ❖ This Code contains three parts:
 - ❖ **Part A** establishes the fundamental principles of professional ethics for professional accountants and provides a conceptual framework for professional accountants.
 - ❖ **Parts B and C** describe how the conceptual framework applies in certain situations. They provide examples of safeguards that may be appropriate to address threats to compliance with the fundamental principles. **Part B** applies to professional accountants in public practice. **Part C** applies to professional accountants in business.

 28.02.2017 8

