

Media Release

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Call for debate on ethics subjects in university accounting courses

An accounting academic and Director of the Accounting Professional and Ethical Standards Board (APESB) has called for greater debate about whether ethics should become a compulsory part of accounting university curricula.

Speaking at the Accounting & Finance Association of Australia and New Zealand conference, Professor Jack Flanagan said that the growing number of corporate collapses highlight how important ethics are to decision-making.

“The spotlight has been on ethics in corporate decision-making in recent times with high profile corporate collapses such as Enron and WorldCom in the US, attracting strong criticism and debate about the ethics of those involved,” says Professor Flanagan.

“These international collapses have been followed by the global financial crisis, which has resulted in a series of corporate collapses in Australia further sharpening the focus on ethics.

“This series of events has prompted some in the accounting profession to question the current state of ethics education.”

“There is no question ethics is relevant for accountants and auditors, who are constantly required to make professional judgements. Ethical behaviour is particularly important for accountants because the reliability of accounting information depends on the integrity of those who prepare, report, and audit this information.”

“Ethics shouldn’t be an add-on to accounting and auditing education but a fundamental element of it as it informs all professional action.”

Professor Flanagan says the current focus in accounting education is still generally biased towards the intellectual aspects of accounting.

“Students may graduate without realising that the issues which will confront them in the workplace have important ethical dimensions that must be considered,” says Professor Flanagan.

“This results in some accountants finding that they lack the skills to analyse these issues when confronted with conflicting ethical problems and the values that influence their choices are often unstated and unexamined by them.

“At the APESB, we’re beginning to think about if and how we can support undergraduate ethical education for accountants based around issues such as the public interest served by accountants, the stakeholders relevant to decisions, the type of conflict facing accountants and the means available for resolving them,” says Professor Flanagan.

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Notes to Editors: The APESB is an independent body that sets the code of ethics and professional standards by which members of Australia’s three professional accounting bodies are required to abide. For more information or a media factsheet, please visit www.apesb.org.au