

2015 Student Writing Competition Winner

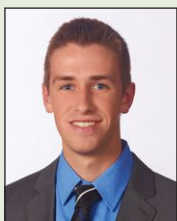
PICPA's Student Writing Competition challenges students to write about current business issues and hone their writing skills. The contest is open to accounting business majors who attend Pennsylvania colleges and universities, as well as residents who attend out-of-state colleges. "What Does It Mean

to Be an Ethical CPA?" was the 2015 topic, and it prompted 114 entries.

The *Pennsylvania CPA Journal* Editorial Board chose Theodore R. Evans of Pennsylvania State University as the first-place winner of \$3,000. Emily Gundersen of Duquesne University and Leslie Lorefice of Lock Haven Univer-

sity completed the top three, netting \$1,800 and \$1,200 respectively.

Thanks go to the Editorial Board for its dedication to the program, with special recognition going to judges Steven G. Blum, Cory Ng, Margaret O'Reilly-Allen, Mary Jeanne Welsh, and Michael A. Zaydon.



What Does It Mean to Be an Ethical CPA?

By Theodore R. Evans, Pennsylvania State University

The following is an excerpt from the 2015 Student Writing Competition first-place essay. The complete essay, along with those of our second- and third-place finishers, can be found at www.picpa.org/swcwinners.

Ethics [can be] difficult to define as one enters the nuanced world of business, where moral dilemmas are not always painted in black and white. As the last line of defense between the users of financial information and potential fraud, accountants have a particularly strong need for a solid ethical base. CPAs provide investors with the reassurance necessary to maintain faith in the accuracy of financial information and keep markets running smoothly. This assurance, however, can only be achieved if CPAs hold themselves to an unwavering ethical code of conduct and act as safeguards against abuses of financial information ...


An unfortunate duality exists within the accounting profession. Accounting can be, and often is, the safety net that catches potential fraud and financial misstatement before it affects the users of financial information. On the other hand, however, accounting is often employed by unscrupulous individuals to misrepresent realities and conceal immoral and illegal activities for their own personal gain. ... Through the manipulation and misapplication of the very accounting rules that are designed to provide financial statement users with a reasonable depiction of the fiscal position of a company, Enron [for example] was able to instead lead countless investors astray by falsely improving its outward appearance. It is a sad but indisputable fact that immoral behavior in the business world is often paired with abuses in financial reporting, making the need for ethical CPAs, who can rise above such situations, all the more critical.

Few people would question the need for a strong code of ethical conduct in the business world. If the moral dilemmas faced by today's businesspeople are indeed more nuanced than clear distinctions between

right and wrong, how is one to ensure that he or she is always acting in a way deemed ethical? Education would seem to be a logical solution, but can the ethics of modern business truly be taught in the classroom? Research suggests that they can be. Studies conducted by multiple independent researchers conclude that education can have a significant effect on a person's capacity for ethical reasoning. ... If the ability to think ethically can be developed through education, then a truly ethical CPA is one who has honed his sense of morality through study of the topic. This act of studying the principles of ethics is not exclusive to a university setting, but follows a CPA as they transition from book bag to briefcase through continuing education opportunities such as conferences and seminars. It is through education that a moral code of conduct can be ingrained in the profession and further accounting scandals can be prevented.

The path walked by an ethical CPA can be equated to that of a tightrope walker: it is a delicate balancing act. ... The fact that a CPA's income is to some degree dependent on the satisfaction of a client can inadvertently create pressure for the CPA to compromise his or her moral code to avoid upsetting the client. The necessity for a steadfast sense of ethicality creates a unique relationship between CPAs and their clients: CPAs strive to perform their duties to the satisfaction of both their clients and their ethical code. ... It is essential that CPAs "perform all professional responsibilities with the highest sense of integrity" and "maintain objectivity and be free of conflicts of interest." As previously mentioned, CPAs can often experience pressure as their own personal interests come into conflict with their duty to professional ethics. The

accounting profession can only provide the business community with assurance on the accuracy of financial information if CPAs have the ability to put their personal motivations aside and present data as impartially as possible. ... A firm moral code, like a strong work ethic, is not a sporadic pursuit adopted solely in times of convenience or evaluation, but rather a perpetual standard to which one must continually aspire. A truly ethical CPA is one who lives in accordance with these principles, constantly striving to maintain objectivity and present financial data accurately, even in times of pressure or adversity.

In a commencement address at Oberlin College in Ohio in 1965, Martin Luther King Jr. stated, "The time is always right to do what is right." His use of the phrase at the time pertained to social equality and civil rights, but King's words could be equally appropriate in a discussion of what it means to be an ethical CPA. There will undoubtedly always be those who seek to manipulate the very accounting policies and procedures that are designed to protect users of financial information to conceal immoral or illegal business activities. This threat, however, can be mitigated or even completely eliminated by CPAs who consistently distance themselves from such behavior and hold themselves to a higher code of conduct. Education can foster a strong ethical base across the profession and ensure that accountants function as a source of protection against financial misrepresentation and fraud. By acting in the best interests of the public, remaining independent, and refusing to compromise ethics or work quality under any circumstances, ethical CPAs can provide the essential function of preserving trust in the information that forms the very backbone of the modern business world. 

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