

Analysis of International Ethical Standards in Accounting

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Objective:

This study examines the international standards regarding ethics education for professional accountants in the International Federation of Accountants' International Education Standard (IES 4) and International Education Practice Statement 1 (IEPS 1) and analyzes the curricula of a set of US AACSB institutions to assess if they are meeting the ethics requirements.

Methods Used:

Large accounting departments and accounting faculty were surveyed in two studies within this paper. Amongst the AACSB institutions, 12 public and 13 private institutions were examined. The websites of each school of business surveyed were also examined to determine if they had revised their basic course and program requirements to include either business ethics or accounting ethics as separate courses. Additionally, the mission statements and schools' goals and objectives were reviewed to determine if ethics was mentioned in either.

Key Findings:

- To implement IES 4 and IEPS 1 would require a business ethics course early in the curriculum, integrate ethics in the different topical accounting courses and conclude with a senior level accounting ethics course.
- Amongst the AACSB institutes surveyed, 1 university's mission statement had the word 'ethics' mentioned in it. However, the word 'ethics' was mentioned in 15 school of business mission statements.
- Eight of the institutions analyzed did not mention ethics as either a part of their mission statement or as a goal or objective.
- Nine of the public institutions and nine of the private institutions did not require an ethics/business ethics course as part of their curriculum. Private schools however required a similar course in humanities.
- Four private institutions required a course in ethics/business ethics. One of these also required three credit hours in business law and ethics for financial professionals.
- 24 out of 25 AACSB institutions did not require a course in accounting ethics.

Conclusion:

While a majority of the accounting faculty favor the inclusion of ethics in the curriculum, no schools had implemented all the requirements of IES 4 and IEPS 1. The private institutions appear to have embraced the concept of ethics education more than the public institutions. However, full

integration of ethical education into the curriculum may not occur unless mandated by a regulatory agency.

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