

Pascu, Ana-Maria

Article

Theoretical Considerations on the Influence of Ethical Principles on Audit Quality, Between Objectivity and Responsibility of the Accounting Profession

CES Working Papers

Provided in Cooperation with:

Centre for European Studies, Alexandru Ioan Cuza University

Suggested Citation: Pascu, Ana-Maria (2012) : Theoretical Considerations on the Influence of Ethical Principles on Audit Quality, Between Objectivity and Responsibility of the Accounting Profession, CES Working Papers, ISSN 2067-7693, Alexandru Ioan Cuza University of Iasi, Centre for European Studies, Iasi, Vol. 4, Iss. 4, pp. 795-808

This Version is available at:

<https://hdl.handle.net/10419/198217>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



<https://creativecommons.org/licenses/by/4.0/>

THEORETICAL CONSIDERATIONS ON THE INFLUENCE OF ETHICAL PRINCIPLES ON AUDIT QUALITY, BETWEEN OBJECTIVITY AND RESPONSIBILITY OF THE ACCOUNTING PROFESSION^{*}

Ana-Maria Pașcu
Alexandru Ioan Cuza University of Iași, România
pascuanamaria26@gmail.com

Abstract: *Although no method yet has been found to guarantee the optimum quality level for the financial information users, and implicitly the quality of accounting and audit services, the efforts concerning these aspects have lately intensified, and a multitude of elements that influence quality in audit and the accounting profession are analyzed and interpreted by many authors. In our research, we aim to analyze the manner in which ethical and moral principles, corroborated with responsibility, may influence the quality of audit. The purpose of this paper is to stress out the connection between ethical principles, responsibility, and quality in accounting.*

Keywords: ethical principles, the auditor's independence, audit quality, professional responsibility.
JEL Code: D63, M41, M42

INTRODUCTION

Without being too exhaustive in our approach, we can state that this feature of financial-accounting information, *quality*, dominates the world of accounting and audit services, and it is at the same time controversial as well delicate and necessary. Moreover, we consider the quality of the accounting/audit profession to be one of the essential conditions that lie at the basis of quality financial reporting and implicitly of a favorable approach from an economical perspective.

The need and importance of ethical and professional and personal behavior norms come both from the important role played by freelance accountants towards the state and society, and from the essential requirement of service quality, based on science, competence, and conscience, independence in spirit and lack of material interest, morality, probity, dignity, and professional behavior.

The inexistence of ethical and moral principles in accounting and audit would create the premises for “*legal fraud*”, which are not necessarily dependent on creativity, but rather on the weakness of an accounting system lacking ethical norms and principles, in short, lacking quality.

^{*} **ACKNOWLEDGEMENT:** This work was partially supported by the European Social Fund in Romania, under the responsibility of the Managing Authority for the Sectorial Operational Programme for Human Resources Development 2007-2013 (grant POSDRU/CPP 107/DMI 1.5/S/78342/2010).

Under these circumstances, if we refer to the importance of ethics in accounting, without becoming overly exhaustive in our approach, we could state that the purpose of their occurrence was to guide economic life. As a result, the Machiavellian slogan “*the end justifies the means*” is out of place in the world of transactions, in amoral economic competition. We subscribe to the opinion that the truth that accounting attempts to build as a true and fair view is one of the virtues that ethics, morality, and religion cultivate as a priority (Horomnea, 2012). Specifically, accounting observes, records, quantifies, processes, and communicates specialized information to a well determined market: internal and external users.

Without the compliance with moral principles and norms, the contemporary world is subject to chaos. Therefore, in the current economic context, the mission of the accounting professional has crossed the borders of a simple job and has come to mean the guarantee of the correctness of the public information provided by economic entities.

1. RESEARCH METHODOLOGY

In our approach, the dominant research stream is the *positivistic* one, aiming to explain, through a detailed and advanced research, the various sides of the effects of ethical principles on quality in audit and the accounting profession, in the conditions of performing a responsible and quality audit activity.

This paper comprises elements of the *interpretative and critical streams*, as various norms, regulations, and practices in the field will be discussed in an interpretative manner (a neutral point of view is adopted) as well as critical one (involvement in a particular point of view). The research will be fundamental, and its purpose will be a theoretical generalization after noticing the insufficiency of knowledge in respect to the *importance and need to apply ethical principles, quality and responsibility in audit and accounting*, as well as identifying certain facts, for which the orization was not suggested.

Future research directions should focus on *applicative research*, which will be concerned with building both a theoretical and a practical explanation for the need to implement quality services in audit and accounting, starting from the phenomena noticed within the economic entities, determining the necessity for quality information that would reflect the fair view in accounting.

This topic was approached through a constructivist research, starting from the evolution of professional deontology codes and up to the importance of the fundamental ethical principles, between obligation and responsibility in accounting, analyzing first and foremost the impact of the

auditor's independence on the quality of the financial-accounting information published, as well as *responsibility and quality in accounting*. In the end, we formulated opinions and conclusions in an approach ranging from ethics and morality to quality in audit.

2. PROFESSIONAL DEONTOLOGY CODES

Accounting and the accounting professional resort to virtues such as: justice, prudence, probity, and dignity, and the professional deontology of the accounting expert is concentrated in the slogan "*Science, Independence, Morality*".

There are several methods through which the accounting profession and society as a whole encourage auditors and accounting professionals to behave appropriately and provide high quality financial-accounting and audit activities, of which we mention: *quality control, continuous training demands, legal liability, peer evaluation, the professional behavior code, exams for accessing the profession* (Arens and Loebecke, 2004, p. 95).

Accounting deontology (Horomnea and Tabără, 2008, p. 199) expresses the set of rules and usages that regulates the relation between the accounting professional as producer of the accounting information, and the *stakeholders*. In a democratic society, a distinctive feature of accounting is establishing and acquiring a *professional deontology code*, which stipulates the exact level of behavior that an accounting professional must adopt since joining this profession. For this reason, each accounting expert / auditor in Romania is *responsible* to comply with the *national ethical code of the profession*. This aspect is, of course, harmonized with the AICPA behavior code (*American Institute of Certified Public Accountants*), which implicitly applies to auditors, fiscal consultants, and to other similar specialists.

Ethics can be defined as a set of principles that give value to morality. Ethical behavior is necessary for a society to work in an orderly manner. Moreover, the need for ethics is important enough for various moral values to be included in laws. The AICPA professional behavior code provides both general norms for an ideal behavior and specific behavioral norms, with concrete application.

At an international level, IFAC (*the International Federation of Accountants*) adopted *the international ethical code of accounting professionals*. The need for the Ethical Code comes from: insuring optimal quality; preserving public trust in this profession; attracting and preserving the customers of audit services; validating the work performed by accounting professionals; insuring protection for the financial auditor and for the users of audit services; defending the honor and

independence of the accounting professionals and of the body they are part of (Horomnea, 2011, p. 93).

The main representative of the free accounting profession in Romania is *The Body of Accounting Experts and Certified Accountants of Romania*. With over 90 years of activity, it was involved not only in the practical regulation of the financial-accounting activity, but *has also constantly promoted the ethical side of the accounting profession*. Also, as a member of the International Federation of Accountants (IFAC), it permanently contributes to meeting the objectives of developing and promoting the accounting profession, coordinated at the world level with harmonized standards. A necessity of the past as well as of the present, created with the purpose of improving the uniformity level of professional ethics and to establish behavioral norms for all the accounting experts in Romania, *The national ethics code of the accounting professionals*, compulsory since January 01, 2007, formulates the fundamental principles that must be applied and complied with by all professionals, and especially by all members of the Body, in order to achieve the common objectives, according to the *International Ethics Code* issued by the world accounting body, IFAC. Moreover, *the new National Ethics Code of the Accounting Professionals*, approved by the *Decision of the High Council of the Body of Accounting Experts and Certified Accountants in Romania, no. 11/216 of March 31, 2011*, based on the Decision of the National Conference of the accounting experts and certified accountants no. 10/65 of September 2, 2010, is compulsory for all CECCAR members in accomplishing the professional services in Romania, starting with January 01, 2011.

Also, *the Chamber of Financial Auditors in Romania* adopts in its entirety *the Ethical Code of Accounting Experts, issued by the International Federation of Accountants (IFAC)*, version July 2009.

3. FUNDAMENTAL ETHICAL PRINCIPLES, BETWEEN OBJECTIVITY AND RESPONSABILITY OF THE ACCOUNTING PROFESSION

All professions, irrespective of the field they belong to, are governed by rules, standards, and principles that must be complied with for performing, in good conditions, the corresponding activity. Because of the peculiar and confidential nature of many services, as well as of the need of the beneficiaries to be able to trust them, professionals are subject to strict technical, ethical, and moral rules (Popa et al., 2012, p. 34).

As we mentioned in the previous section, in a modern society, a distinctive feature of the accounting profession consists in establishing and acquiring a *professional deontology code*, which stipulates the exact optimum level of behavior necessary for each accounting professional, since he joins the profession. For this reason, each accounting expert / auditor in Romania is *responsible* to comply with the *national ethical code of the profession*. An accounting professional must analyze any threat to the ethical principles of the profession, or simply to guess the circumstances and relations that may endanger his principles, especially his independence (Spalding and Alfonso, 2011, pp. 49-59).

The objectives of accounting, established in the Ethical Code of Accounting Professionals, follow the highest professional and performance standards, and comply with the requirements of the public interest. In order to meet these objectives, accounting professionals must obey the *fundamental principles* based on: *independence, integrity, objectivity, professional competence and goodwill, confidentiality, professional behavior, compliance with technical and professional norms* (The National Ethics Code of Accounting Professionals, 2011).

Independence is a fundamental principle that applies to all the accounting professionals. Respecting independence eliminates the relations that may affect an auditor's objectivity. This principle insures the fulfillment of the audit mandate in conditions of *integrity and objectivity*.

Integrity is the essential criterion that any professional must meet, the supreme quality they can acquire during their evolution. From this quality derives public trust, since integrity is a sum of the profession for all those who wish to ascend the value scale. Professionals must be direct, honest, and incorruptible in performing their activity. At the same time, integrity is the support of trust and credibility in the professional reasoning of the accounting professional and of the auditor.

Objectivity implies impartiality and correctness in drawing reports, which must be precise and objective. The practitioner must follow professional reasoning, without being influenced by conflicts of interests, subjectivism, or by the unwanted actions of other people. The conflict of interest may occur if the accounting professional is involved in direct business with a client or participation in a competitor of the client, as well as in case he provides services for clients whose interests are in contradiction. If such a situation is noticed, the accounting professional has to inform both the client and all the involved parties. He will take action only in case his objectivity is not compromised.

Professional competence and due attention. The auditor must accept audit missions as long as he meets professional competence. Consciousness includes, according to the standards in the field, the responsibility to act according to the requirements of a mission, meticulously and opportunely.

Confidentiality. By applying this principle, the auditor respects the confidentiality of the information acquired during the audit mission. Moreover, the confidential information obtained in professional relations must not be used to the personal advantage of the accounting professional, or of a third party.

Professional behavior. The auditor must comply with the laws and regulations, avoiding any action that discredits the profession.

The professional bodies in various countries (including the Chamber of Financial Auditors in Romania) impose their members to take part in professional deontology courses. Apparently, this proliferation of compulsory courses in this field implies a lack of deontology from accounting professionals. If such courses were not necessary, they would not be required. On the other hand, of all the other professions, it seems that accounting is almost the only one that requires its members to attend ethical and professional deontology courses (Cheffers and Pakaluk, 2007). Accounting is, by far, the most regulated profession in the world.

More recently, CECCAR accounting professionals transmit their opinions to other representatives, such as those working in company management, through the audit report and the explanatory note on the administrators' management report and on the efficiency of internal control. In these circumstances, the following question arises: *who is responsible for implementing the ethical and moral principles in exerting any activity in the name of the company?* The answer to it is as obvious as it is controversial. From our point of view, the entire collectivity of the company must be responsible for the proper application of ethical norms, by every individual and by all. The three Rs, so largely discussed in many specialty works, *respect*, *responsibility*, and *result*, are remarkable in what concerns the businessmen's support in defining the ethical direction to take. The first R in business ethics, *respect*, must be an attitude applied to people, organizational resources, and to the environment. Respect includes behaviors such as: treating all the clients and employees with dignity and politely. *Responsibility* implies showing this attitude to clients, colleagues, the company, as well as personal and social responsibility. The third R – *result*– concerns the understanding of the way in which results are obtained, taking into account the fact that they are just as important, if not even more, than result itself.

4. RESPONSIBILITY AND QUALITY IN THE ACCOUNTING PROFESSION

Starting from the idea formulated by George Bernard Shaw, that “*Liberty means responsibility. That is why most men dread it*”, we are trying to analyze the importance of the accounting experts taking responsibility in order to perform their activity in conditions of quality.

According to the Explanatory Dictionary of the Romanian Language, *responsibility* means: “*the obligation to perform a thing, to answer for something, to accept and bear the consequences, liability, consciousness, responsible attitude to one’s own obligations*”.

The auditor, according to SAS 1, has the *responsibility to plan and perform audit so as to obtain a reasonable assurance concerning the presence or absence of significant erroneous presentations in the financial statements*, irrespective of whether these presentations are caused by mistakes or fraud. However, the auditor is not responsible for planning and performing audit so as to obtain reasonable insurance in what concerns the detection of erroneous presentations that are insignificant in relation to the set of financial statements.

It is important for the auditor to know very well the entity’s objectives and strategies, because they generate business risks that may engender significant distortions of the financial statements. Nevertheless, the auditor is not responsible for identifying or evaluating all the business risks, because not all these risks engender significant distortions of the financial statements.

In what concerns *the responsibility to prevent and detect fraud*, according to ISA 240, “*The auditor’s responsibility concerning fraud in an audit of financial statement*”, it comes both to the persons in charge with the company’s governance and to management. In its turn, management, under the supervision of the persons in charge with governance, should focus both on preventing fraud, which may determine a decrease in the opportunities for fraud to occur, and on fighting it, which may convince individuals not to commit fraud, because of the probability to be discovered and punished. However, this implies a commitment for the creation of a culture characterized by honesty and ethical behavior.

Moreover, *the auditor is responsible to preserve a professionally skeptical attitude* all along the audit. Professional skepticism includes reserved thinking, attention to the circumstances that may indicate a possible distortion caused by fraud or error, and a critical evaluation of audit evidence (Ghid privind auditul calității, 2010, p. 124).

Obtaining substance changes in financial-economic life implies responsible commitment in making major decisions. Efficient leadership, as well as effective management of the period of

crisis, implies basing decisions on a system of real, pertinent, relevant, and present information. We believe that in such a conjuncture, the mission of the accounting professionals becomes essential.

Economic problems constantly determine the most important aspirations of the individual's society. With sufficient arguments and without exaggerating, we believe that the "*science of accounts*" is really the center of the economic universe. This is obvious in Alvin Toffler's idea, stating that "*without accounting, the world would be much poorer. First of all, materially, and by extension, even spiritually!*" (Horomnea, 2012)

The responsibility for adopting appropriate accounting policies, of preserving the right internal control, and of making correct presentations in the financial statements comes to management, not to the auditor. Both the auditor and the beneficiaries of the examined information must remember that the responsibility for preventing and detecting fraud and errors comes to the management, by continuously implementing and using appropriate internal control systems. These systems reduce, but do not eliminate the possibility for fraud to occur. The auditor is not and cannot be held responsible for preventing fraud and errors, but through the activity they perform, it is possible to detect, prevent, and discourage them.

From Arthur Andersen's point of view, a constant supporter of high quality standards in the accounting profession, *the responsible of bookkeeping comes to investors*, as they should be directly interested in this aspect. We believe his opinion is well founded, since he struggled to improve himself and succeed professionally. Moreover, he acquired a series of principles that he strictly complied with in leading his company, *constantly supporting high quality standards in the accounting profession*. Ever since his first years of activity, he created a flawless reputation. Andersen did not hesitate to refuse a company executive officer who requested him to certify financial statements that contained errors, providing an ironical answer: "*The entire city of Chicago does not have enough money to convince me to accept this*" (Horomnea, 2011, p. 291).

In addition, Deloitte and Touche issued a guide publication titled "Under Control", which shows the importance of the clear designation of responsibilities and task separation, besides provisions concerning the need to implement more rigorous control system in companies. Therefore, we can notice frequent preoccupations of big audit companies in involving responsibility, as an essential element, in the good performance of their economic activity. Accepting liability towards the public is a characteristic of the financial auditor's job. Moreover, the compliance with the highest professionalism standards and meeting the requirements of public interest are the fundamental objectives of the accounting professional, including the financial auditor.

5. FROM ETHICS AND MORALITY TO AUDIT QUALITY

Through its nature, accounting is tightly connected to ethics, morality, and religion (Horomnea, 2001, p. 76). At the same time, the concepts of morality and ethics are quite close, connected, complementary, and indispensable to contemporary world, considering the interdependencies between the markets, the huge quantity of accounting information that can be found on these markets, as well as the fraudulent manipulations to which financial-accounting information is sometimes subject.

In the last years, a special interest has been placed on high quality practices in the accounting profession worldwide. Moreover, there are numerous studies concerning *ethics*, confidentiality, and professional behavior. In a specialty study, Morariu (Morariu, 2007, pp. 19-22) deals with aspects related to competence, confidentiality, and professional behavior in the context of the Ethical code for accounting professionals, and Mihăilescu (Mihăilescu, 2007, pp. 7-14) presents the ethical rigors and principles of auditors in audit mission. The relation between professionalism and ethics in accounting and audit is debated by Lazăr (Lazăr, 2008, pp. 13-22), while ethical dilemmas are presented in a structured approach by Badea (Badea, 2008, pp. 25-30). Also, Rusovici and Rusu (Rusovici and Rusu, 2008, pp. 19-25) discuss a topic related to ethics and the professionalism of the financial auditor, professional reputation, considered to be a valuable asset. A supporter of ethics in accounting, Popescu (Popescu et al., 2009, pp. 9-19) makes a study concerning the ethics of the accounting professional in the conditions of the global financial crisis. In this context, he identifies the deficiencies of business ethics and the specific pressures that exist in conditions of crisis, promotes the idea of a “responsible person for ethics and conformity” in companies, defining a unitary system for monitoring quality and ethics in audit offices. Last but not least, one of the relevant studies in this context is that of Morariu (Morariu et al., 2009, pp. 31-39), who approaches the provisions of ethical standards and professional behavior at a global level. Significant concerns and papers written in business ethics can also be found in the Iași school of thought, in the paper “*Dimensiuni științifice, sociale și spirituale în contabilitate*” (*Scientific, social, and spiritual dimensions in accounting*), essential elements related to “*Professional deontology and morality in accounting and business*”.

Surpassing the wish of any individual to be professionally noticed, the accountant must meet the demands for information of the accounting market, harmonized and oriented towards the stakeholders. In other words, human nature periodically displays the irrational behavior determined by the desire to be professionally successful, to become rich fast (or that “*irrational exuberance*”, as

Alan Greenspan called it). Such a circumstance leads to the creation of a “*speculative bubble*”, whether we speak of fraudulent maneuvers that made the big audit actors in the world, named for start the *Big Eight*, to then become the *Big Six* and finally the *Big Four*, or if we simply refer to the *non-compliance with ethical and moral principles* in performing the accounting professional’s or auditor’s performing their attributions. At the same time, the auditor, seen as a main actor on financial markets, can make investors trust him, through *professionalism, objectivity, responsibility, and independence*.

Audit must meet all the challenges of globalization, frauds and financial crises, by *assimilating techniques and designing quality control methods and mechanisms*. This way, the auditor can responsibly perform the duty he accepted and issue a reasonable opinion on the most significant aspects. Moreover, he must successfully combine the notions in the field of audit (auditing techniques and procedures, principles, standards, work methodology) with the new information technologies (programs and integrated systems dedicated to auditing, databases), as well as research methods and instruments specific to other sciences. In this context, audit can no longer work in isolation, but correlated with new innovation techniques from other related fields.

General and specialized culture, achieved in a continuous process of learning and applying knowledge into practice, essentially modify the status of the accounting profession. Performance in the financial-accounting profession is a necessary and indispensable condition in *complying with the moral and ethical principles*. The accounting profession is concerned with designing ethical and professional behavior standards. Accounting determines and legitimates the efficiency of any company. We tend to forget that *responsibility and accounting rules* lie at the basis of the crystallization of the values which support society from an economical perspective.

The Anglo-Saxon world tried to issue, through accounting normalization institutions, such professional ethics rules. The standards include the following characteristics: competence, confidentiality, integrity, and objectivity. However, as Jean Cohen-Scali said, there is “*an ontological responsibility to be objective*”. Accounting is a formalized language, a means of communication, having the role to model events, in order to give them a correct meaning, and to communicate this meaning. The excessive rigor that many want to give to the process of normalization will lead to distancing from the objective of the fair view. Therefore, *ethics becomes the only true factor of the quality of financial information. Is that so?!*

In the *United States of America*, there are many bodies that regulate ethical principles in accounting, of which we mention: the Institute of Internal Auditors, the National Association of Accountants, and the Institute of Certified Public Accountants. In 1887, *The Association of Public*

Accountants (AAPA) was born in America, the first step towards the development of ethical and moral principles in the accounting industry of the United States (Casler, 1964, p. 5). The international norms that regulate the audit profession are of American origin, because the USA is one of the countries with the oldest experience in financial audit.

In an article published in 2007, in the *Managerial Auditing Journal*, a top nine *factors that contributed to the ethical failures of accountants* has been drawn, based on a survey of 66 members of the International Federation of Accountants.

Some of these factors are: failure caused by the impossibility to preserve independence and objectivity; inappropriate professional judgment; not applying ethical principles; inability to resist threats; personal interest; lack of competence; lack of organizational support; lack of support from the professional body.

The main factor is *personal interest*, relevant when the accountant acts to his best interest, which implicitly determines the occurrence and development of the conflict of interests. For example, if while performing his audit mission, an auditor notices an error concerning an account, he can act disregarding the ethical and moral principles, in the conditions in which he receives material stimuli (Beverley et al., 2011, pp. 928- 944). This is just an example of what it means to disregard the ethical and moral principles in the accounting profession, which, unfortunately, is not the last, but maybe the least.

The degree of compliance with accounting laws is different from one country to another. In Germany, accounting legislation is regulated by the “tax law”, while in Sweden, there is an “accounting law”, and in Great Britain, a “company law”. Therefore, countries have their own bodies that regulate their laws (Gowthorpe, Blake, 1998, p. 7).

Analyzing the accounting profession from the point of view of the *ethics and responsibility* it has towards *quality in audit*, becomes particularly important for both the accounting professional and the auditor to accept the fact that they have a social responsibility towards the users of the results of their work. At the same time, they perform their work in the interest of the users who, in their turn, must be convinced that the auditors act competently, with professional integrity, fulfilling all the criteria that guarantee quality.

CONCLUSIONS

The accounting profession, like other professions, faces new challenges because of the continuous legislative changes, of the occurrence of new types of accounting/audit and insurance

services, of the impact of the new information and communication technologies, of the increase in the number and quality of professional standards, of the appearance of new software products, of new reporting methods, etc. Moreover, the accounting profession must take responsibility for the public interest in providing high quality services, while complying with professional standards.

In recent years, special accent has been placed on high quality practices in the accounting profession worldwide. Besides, there are numerous studies concerning *ethics*, confidentiality, and professional behavior. It has been practically proven that, in the context of the evolution of the economic situation at the world level, as well as in our country, the financial auditor is the professional who can contribute, to a significant extent, to healing the economic climate and reestablishing confidence in business. *Through professionalism, independent attitude and transparence in performing audit mission, through drawing quality reports, in conformity with international standards and with the ethical code of the profession, the auditor meets the public interest shown in regards to the correctness of the business subject to his evaluation, fulfilling at the same time an important social role.* Moreover, after verifying and certifying the information provided to the users by an ethical, competent, and independent auditor, favorable conditions are created for (re)establishing the confidence between the producers and the users of the accounting information.

We conclude by stating that accounting professionals are actors on a market where the demand and offer of accounting information are confronted. They must be aware of the important role they have on this market, provide a fair view of the financial position and of the performance of the company, analyzed in the conditions of complying with the *ethics code* in completing the accounting act and taking responsibility in the performed activity. A good professional nowadays knows what the Romanian accounting reform means, learns to understand and apply the International Standards of Financial Reporting, as well as the International Audit Standards, is aware of the importance and scope of the application of professional reasoning, counsels the company management in supporting accounting policies, is subject to the *Professional ethics code*, being aware of the limitations of his judgments. He must acquire knowledge and use professional reasoning correctly. Finally, competence comes first, together with *responsibility*. Considering these aspects, there is an obvious connection between: the evolution of professional deontology codes, the importance of fundamental ethical principles, the impact of the auditor's independence on the quality of financial-accounting information published, *responsibility and quality in the accounting profession*.

REFERENCES:

- Arens, A., Loebecke, J. (2004) *Auditing, an Integrated Approach*, Arc Publishing, 8th edition, București.
- Badea, D. (2008) *O abordare structurată a dilemelor etice*, Revista Audit Financiar, no. 8, vol. VI.
- Beverley, J., Barry, J.C., Leung, P., Dellaportas, S. (2011) *Professional Accounting Bodies' Perceptions of Ethical Issues, Causes of Ethical Failure and Ethics Education*, Managerial Auditing Journal, Volume 22, Issue 9, pp. 928-944, accesed on 12.04.2011, indexed in ProQuest DataBase.
- Capron, M. (1994) *Contabilitatea în perspectivă*, Humanitas Publishing, București.
- Casler, J. D. (1964) *The Evolution of CPA Ethics: A Profile of Professionalization*, Michigan State University.
- Cheffers, M., Pakaluk, M. (2007) *Understanding Accounting Ethics*, Allen David Press.
- Crosby, Ph.B. (1979) *Quality Is Free*, McGraw-Hill, New York.
- Enătescu, A.M., Enătescu, M. (2000) *Calitate. Terminologie comentată*, Tehnică Publishing, București.
- Gowthorpe, C., Blake, J. (1998) *Ethical Issues in Accounting*, Published by Routledge.
- Horomnea, E. (2001) *Tratat de contabilitate. Concepte, principii, standarde, aplicații*, Vol. I, Sedcom Libris Publishing, Iași.
- Horomnea, E. (2011) *Audit financiar. Concepte. Standarde. Norme*, 2nd edition, revizuită și actualizată, TipoMoldova Publishing, Iași.
- Horomnea, E. (2012) *Dimensiuni științifice, sociale și spirituale în contabilitate. Geneză. Doctrină. Normalizare. Decizii*, 3th edition, TipoMoldova Publishing, Iași.
- Horomnea, E., Pașcu, A.-M. (2012) *Ethical and Morality in Accounting. Epistemological Approach*, The 18th IBIMA conference on 18th IBIMA Conference on Innovation and Sustainable Economic Competitive Advantage: From Regional Development to World Economies, Journal of Eastern Europe Research in Business & Economics, Volumul 2012, <http://www.ibimapublishing.com/journals/JEERBE/2012/405721/a405721.html>.
- Horomnea, E., Pașcu, A.-M., Istrate, A.-M. (2012) *Contabilitatea creativă, între denumire neinspirată, reglementare și fraudă*, Revista audit financiar, Anul X, no. 86.
- Horomnea, E., Tabără, N. (2008) *Deontologie profesională și moralitate în contabilitate și afaceri*, in the volume *Congresul profesiei contabile din România, Profesia contabilă între reglementare și interesul public*, CECCAR Publishing, București.

- Ionașcu, I. (1997) *Epistemologia contabilității*, Economică Publishing, București.
- Juran, J.M. (1988) *Quality Control Handbook*, McGraw-Hill, New York.
- Lazăr, M. (2008) *Profesionalism și etică în profesia contabilă și de audit*, Revista Audit Financiar, no.1, vol. VI.
- Mihăilescu, I. (2007) *Rigori și principii de etică ale auditorilor în misiunile de audit*, Revista Audit Financiar, no. 7, vol. V.
- Morariu, A. (2007) *Despre competență, confidențialitate și comportament profesional în contextul Codului etic*, Revista Audit Financiar, no. 11, vol. V.
- Morariu, A., Manolescu, M., Crecană, C. (2009) *Valori, etică și atitudini profesionale în audit financiar*, Revista Audit Financiar, no. 10, vol. VII.
- Popa, I., Tiron, E., Tudor, A., Șpan, G.A. (2012) *Raționamentul profesional – factor determinant în creșterea misiunilor de asigurare*, Revista audit financiar, Anul X, no. 86.
- Popescu, V.A., Lepădatu, Gh., Popescu, Gh. (2009) *Studiu privind etica profesionistului contabil în condițiile crizei financiar-economice globale*, Revista Audit Financiar, no. 11, vol. VII.
- Rusovici, A., Rusu, Gh. (2008) *Reputația profesională, bunul cel mai de preț al auditorului financiar*, Revista Audit Financiar, no. 7, vol. VI.
- Spalding, A.D., Alfonso, O.Jr. (2011) *It's Time for Principles-Based Accounting Ethics*, Journal of Business Ethics, 99.
- *** Codul etic național al profesioniștilor contabili, Ediția a V-a revizuită și adăugită în conformitate cu Codul Etic Internațional al Profesioniștilor Contabili elaborat de IFAC, Editura CECCAR, 2011.
- *** Dicționarul Explicativ al Limbii Române, Ediția a II-a, București, 1996, p. 887.
- *** *Glosar de termeni*, Ghid privind auditul calității, Tradus de echipa de traducători ai CAFR, Tipărit la IRECSO, București, 2010.
- *** <http://aaajournals.org/doi/abs/10.2308/accr.2009.84.4.1255>, accesed on 04 March 2012.
- *** http://papers.ssrn.com/sol3/papers.cfm?abstract_id=926271&http://www.google.ro/url?sa=t&rct=j&q=sarbanes%20oxley%20internal%20control%20requirements%20and%20earnings%20quality&source=web&cd=2&ved=0CDYQFjAB&url=http%3A%2F%2Fpapers.ssrn.com%2Fsol3%2FDelivery.cfm%3Fabstractid%3D926271&ei=viJVT77UKMzT4QSS9pC4DQ&usg=AFQjCNEN4YbXRytAlAgR9brwOGn_gxKbOA&sig2=m6aJbT6RM89kG7t2Hqwlpg, accesed on 04 March 2012