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AUDITING AND ETHICAL SENSITIVITY: RESOLVING THE DILEMMA

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ABSTRACT: *In recent times corporate failures and accounting scandals have shaken the foundations of investor confidence. This has brought the transparency, integrity and accountability of corporations and capital markets under serious scrutiny. The public has been disquiet about the role professional auditors and audit firms played in these corporate scandals. The consequences for many of the players in the market for financial information have been enormous; reputations both of key individuals and organizations have been ruined, jobs lost, and pension funds have been eroded. The economic and social damage has been incalculable, and the implications far-reaching for corporate management, company directors, audit firms and the investing public. The accountant including the auditor played a major role in these events. The issues behind these failures may be complex but it is generally believed that a lack of ethical behaviours played a significant role in all these failures. This paper therefore attempts to address the role ethical sensitivity play with regards to auditing and tries to proffer resolutions where dilemmas exist. On the whole we concluded that auditors /accountant do face ethical dilemmas in the course of carrying out their professional duties. However it was recommended that auditor ought to have high ethical awareness while the firm and the profession monitor strict compliance with ethical and professional standards by the auditor.*

KEYWORDS: Auditing, Ethics, Ethical Sensitivity, Dilemma, Integrity, Corporate failures

INTRODUCTION

Accounting is a very valuable knowledge and an important component of a market economy. No economic activity would be possible without accounting. It provides information on financial position and profitability of operations. It is the foundation of countries' fiscal, monetary & financial systems and plays a key role in 'governance' towards establishing accountability and transparency in the economies (Asif, 2010). However, the rate of corporate failures and accounting scandals in the recent past has shaken the foundations of investors' confidence in the transparency, integrity and accountability of corporations and the capital markets. Central to this scandal is the valid opinion of the accountant acting as auditor, directors and executives; about the ability of the clients to continue in business. Auditing is a public service that validates financial managers' statements, thereby reassuring investors. Auditors therefore, as individuals active in this field, have ethical obligations towards investors, and are required to perform the Auditing task with utmost honesty, independence, and objectivity (Fahimeh and Mahdi, 2013).

The collapse of large corporations has had serious financial implications for investors, employees and the public (Elias, 2004), giving rise to a credibility crisis (Earley and Kelly, 2004). Consequently the expression of the audit opinion is extremely important for financial statement users because (1) it is interpreted as an early warning signal regarding the future of the company and (2) may significantly affect investors and other third parties' decisions in

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terms of re-allocation of credit. (Guiral et al., 2007). For the audit profession, these events highlighted the gap existing between public expectations and the reality of the role of the auditor. Many are of the view that society has carved out a vital trust relation role for independent auditors, which is absolutely essential for the effective functioning of the financial markets and the economic system (Duska, 2005). On the other hand Jensen (2006) opines that the auditing profession should fulfill a very important social trust function by representing a mechanism for holding managers accountable for their actions. This mechanism should provide assurance that the financial information provided by managers iss both accurate and complete.

It is a public perception that the Individuals in the accounting profession have a considerable responsibility to the general public; this is owing to the fact that accountants and auditors provide information about companies that allow the public to make investment decisions. It is further assumed that many auditors fail in their responsibility because their independence is compromised. For the public to rely on the information provided there must be a level of confidence in the knowledge and behavior of the accountants and or auditors. The biggest challenge therefore for auditors is to identify how ethical behavior can be and be seen to be restored, as this will be the basis for the restoration of public trust in the profession and in the practice of auditing. This made the International Federation of Accountants (IFAC) release a report on “Rebuilding public confidence in financial reporting an international perspective”. The report identified several key weaknesses in organizations from a review of a number of corporate collapses worldwide. The findings of the study included a recommendation for more effective corporate ethics codes as well as the provision of training and support for individuals within organizations to better enable them face difficult ethical questions. (IFAC, 2003).

Most accountants in business and in public practice whether working in a small organization or serving in bigger corporations, face ethical dilemmas in their professional careers. Ethical dilemmas come in diverse forms and accountants sometimes need support to address these complex and challenging conflicts. Ethical dilemmas cover various ethical issues that range from the accountant’s personality to the way and manner he discharges his duties. This would include the auditor’s independence, issues of confidentiality, conflict of interest, overstating performance and valuation, participating in fraudulent activities, non-disclosure and withholding of information from auditors and other stakeholders, and making a decision without adequate information.

Ethical behavior is not simply conforming to legal and professional rules; it is a state of mind, adhering to unwritten principles, and a culture of ‘doing the right thing. An individual’s interpretation of ethical behavior is influenced by a variety of factors including industry and company guidelines, social and economic pressures, laws and regulations, and the prevalent values and beliefs. These influences develop a set of written and unwritten principles which are drawn on when faced with an ethical dilemma. Ethical behavior is necessary in the accounting profession to prevent fraudulent activities and to gain public trust.

An auditor working in the public or private sector must remain impartial and loyal to ethical guidelines and codes of conduct when reviewing a company or individual's financial records for reporting purposes. The auditor frequently encounters ethical issues regardless of the industry and must remain continually vigilant to reduce the chances of outside forces manipulating financial records, which could lead to both ethical and criminal violations. Auditors face ethical questions on a daily basis, and in a way that is unique to the profession. Arguably the underlying principle of the auditing professional ethics is independence. Auditors must balance their duty to their clients, their profession, society and numerous other

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stakeholders. An actual or perceived conflict of interest may arise as a result of these competing interests and lead to public distrust.

Based on the aforementioned and given the call for increased ethical behavior in both public and private practices among accountants and auditors, this paper seeks to review ethical issues that challenge the auditing profession and, more specifically, the paper will discuss various ethical dilemmas, threats, safeguard and steps to avoiding ethical threats in the auditing engagement and also proffer resolutions for the dilemma. This is examined in the context of the role that ethical sensitivity plays in bringing to bear upon the auditor the appropriate ethical behavior in the course of carrying out its duty. In other words we shall try to review the impact of professional codes of conduct and ethical considerations on the auditor's performance as stipulated by various accounting bodies.

REVIEW OF RELATED LITERATURE

The Concept of Ethics

The definition of ethics is shaped by personal, societal and professional values, all of which are difficult to specify. Some stress the importance of society's interests and others stress the interests of the individual. These conflicting viewpoints have dominated the discussion of ethics for a long time and may remain in the future as well. Thus, the term 'ethics' will have to be defined in this context. The word 'ethics' is derived from the Greek word 'ethos' (character) and Latin word 'moras' (customs). Taken together these two words define how individuals choose to interact with one another. Thus, ethics is about choices. It signifies how people act in order to make the right choice and produce good behaviours. It encompasses the examination of principles, values and norms, the consideration of available choices to make the right decision and the strength of character to act in accordance with the decision. Hence, ethics, as a practical discipline, demands the acquisition of moral knowledge and the skills to properly apply such knowledge to the problems of daily life.

Ethics may be broadly defined as that division of philosophy which deals with questions concerning the nature of value in matters of human conduct. Ethics or moral philosophy is the branch of philosophy that involves systematizing, defending, and recommending concepts of right and wrong conduct. As a branch of philosophy, ethics investigates the questions "What is the best way for people to live? And what actions are right or wrong in any particular circumstances? In practice, ethics seeks to resolve questions of human morality, by defining concepts such as good and evil, right and wrong, virtue and vice, justice and crime. Smith and Lee (2009) defines ethics as the branch of philosophy concerned with value regarding human behavior pertaining to the rightness and wrongness of actions and to the goodness and badness of the intent and consequences of such actions. Consequently ethics connotes a set of moral principles or values.

The ethics of a business is currently a high profile issue owing to sensational corporate scandals that had taken place in many countries causing extensive damages to the economy and society. These corporate scandals question the morality of businessmen in general and accountants in particular. It is argued that the accountants have been the main contributors to the decline in ethical standards of a business. International Federation of Accountants (IFAC) in its research report titled 'Rebuilding public confidence in financial reporting – an international perspective' (2003) issued in the aftermath of the collapse of Enron and WorldCom in 2002 concluded that

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financial scandals experienced in the recent times were symptoms of deeper problems and identified that improvement of ethical standards, adequacy of financial management, reporting mechanisms, audit quality and strengthening of governance regimes as means to improve public confidence in financial reporting. The accounting profession has a responsibility towards these areas, whose deficiencies have led to corporate scandals and collapses. Hence today, ethical conduct of accounting professionals has become a topical issue. Summarily, ethics is the set of moral standards for judging whether something is right or wrong.

The Meaning and Need for Ethical Sensitivity

Ethical sensitivity is a fundamental element of human moral conduct. According to Weaver et al (2008) ethical sensitivity is the capacity to decide with intelligence and compassion, given an uncertainty in a care situation with additional ability to anticipate consequences and then have courage to act. Fahimeh and Mahdi (2013) consider it as the ability to recognize the ethical nature of a situation in a professional context. Tirri and Nokelainen (2007) assert that to respond to a situation in a moral way, a person must be able to perceive and interpret events in a way that leads to ethical action. Consequently, ethical sensitivity is the ability of the decision-maker in recognizing existing ethical issues. It is also the attention to ethical values, and considering them in decision-makings, taking into cognizance its role and purpose particularly when confronting particular conditions.

Ethical sensitivity therefore is based on the premise that a dilemma is recognized as an ethical issue, or at least containing an ethical component. Ethical sensitivity connotes the ability to identify and recognize ethical issues when they arise. It could also refer to the moral reasoning judgment relating to how and why ethical decisions are made. If professionals are sensitive to ethical issues, then the decision-maker is likely to use moral dimensions in resolving the dilemma, rather than take a heuristic approach. (Hooks and Tyson, 1995).Therefore, the professional must recognize the ethical component in a dilemma before an ethical decision can be made (Armstrong et al., 2003; Jones, 1991). The problem for professionals is that ethical issues are often hidden (Bebeau et al., 1985) and they often lack the ethical sensitivity to recognize ethical dilemmas when they arise.

The need for ethical sensitivity in the present business environment cannot be overemphasized. In today's competitive economic world, the auditing profession has had a fair share of unethical scandals bringing to question its core values of independence, integrity and objectivity. Financial scandals such as those of Enron, WorldCom ,and Arthur Anderson, have tarnished public trust in auditors in performing comprehensive, trustworthy and objective auditing tasks .These financial scandals have increased organizational, congressional, and educational awareness regarding ethical sensitivity of auditors - the direct result of which has been the enactment of series of laws and regulations and existing ones becoming stricter while the profession itself too is now under great scrutiny . It is no doubt that auditors are faced with ethical dilemma on a daily basis that calls for increased ethical sensitivity. It is therefore imperative that appropriate professional behaviour be ingrained to allow for proper decision-making in the environment in which they work.

In performing the audit function and expressing expert opinion about financial statements, auditors have a responsibility to users of financial statements and managers. This obligation creates an ethical responsibility between auditors and the organization managers .Because of these ethical obligations, performing auditing tasks always involves contradictions .These contradictions stem from the obligations the auditor has for the public on one hand and for

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managers on the other. Hence the ability to make ethical judgments and behave ethically, presupposes the accountant's ability to recognize an ethical issue when it arises. If professional accountants are ethically sensitive to the issues they face, then the decision maker is more likely to use ethical principles in resolving the dilemma. Accounting professionals must not only be adept with the technical aspects of their responsibilities but they must also be able to deal with situations where the facts are ambiguous or stakeholders' interests conflict. Therefore, accountants must not only recognize ethical issues but they must also be committed to take actions which are ethically sound (IFAC 2005).

Ethical sensitivity is therefore an imperative for every professional accountant cum auditor as it creates in them the ability to recognize an ethical threat or issue when it occurs and being aware of alternative courses of action leading to an ethical solution and how each alternative course of action affects the parties concerned. Enhancing ethical sensitivity through ethics education will enable accountants to more readily identify predicaments, which they must then resolve (IFAC, 2005). Asif (2010) summarizes the need for ethical sensitivity in the following points;

1. Professional accountants have a responsibility to consider the public interest and maintain the reputation of the accounting profession. As such Personal interest must not prevail over these duties.

2. The professional sees himself or herself as responsible to the client; the mission is to solve the problem of the client, to create the value that the client requires. If that value is not created, if problem is not solved, the professional has not done his or her job. It is only by producing the result that clients requires- by performing the entire process that yields that result-that the professional discharges his or her responsibility

3. Technically, the professional accountants should carry out professional services in accordance with the relevant technical and professional standards. The professional accountants have a duty to carry out with care and skill, the instructions of the client or employer in so far as they are compatible with the requirements of integrity, objectivity and, in the case of professional accountants in public practice, independence.

IMPLICATIONS FOR RESEARCH AND PRACTICE

Ethical dilemmas in Professional Audit Practice

Ethical dilemma is an ethical problem in which the ethical choice involves ignoring a powerful non-ethical consideration. A non-ethical consideration can be powerful and important enough to justify choosing it over the strict ethical action. An ethical dilemma is a complex situation that often involves an apparent mental conflict between moral imperatives, in which to obey one would result in transgressing another. Sometimes called ethical paradoxes in moral philosophy, ethical dilemmas are often invoked in an attempt to refute an ethical system or moral code, or to improve it so as to resolve the paradox.

Auditors are frequently faced with moral dilemmas in the exercise of professional judgment; these moral dilemmas are complex, unpredictable and not amenable to resolution through the application code of conduct (Gaa, 1992).The auditors' professional conduct has played a fundamental role in increasing the confidence of financial statement users, to confirm the

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integrity of the financial statements (Karajeh, 2004). Although accounting was once considered by the public to be highest in integrity among all professions (Pearson, 1988), the regard that this profession enjoyed has deteriorated in the wake of a succession of high profile scandals (Herron and Gilbertson, 2004).

Ensuring highest ethical standards is important to a 'public accountant' (one who renders professional services such as assurance and taxation service to clients for a fee) as well as to an 'accountant in business' (one who is employed in a private or public sector organisation for a salary). Both public accountants and accountants in business are in a fiduciary relationship, former with the client and latter with the employer. In such a relationship, they have the responsibility to ensure that their duties are performed in conformity with the ethical values of honesty, integrity, objectivity, due care, confidentiality, and the commitment to the public interest before one's own. Ethical dilemmas faced in the accounting/auditing profession vary in type and intensities. Examples of the most common ethical dilemmas in the business environment may include:

1. Dealing with pressure to act unethically, particularly from dominant superiors;
2. Balancing confidentiality with blowing the whistle on illegal or improper actions of others;
3. Disclosing information in the public interest; and
4. Wrongful trading in a distressed situation where insolvency might be imminent.

These ethical dilemmas cover various ethical issues, such as overstating performance and valuation, participating in fraudulent activity, non-disclosure and withholding of information from auditors and other stakeholders, and making a decision without adequate information.

Other threats that are prevalent in the accounting/ auditing practice include:

- The Self-review threat: this occurs when any product or judgment of a previous work needs to be re-evaluated in reaching conclusions on an engagement. Examples a member of an audit team being or having recently being a director or an officer or preparing the original data used to generate financial statement or preparation of other records that are the subject matter of the audit engagement.

- Self Interest threat: this is where a firm or a member of the audit team could benefit from a financial interest in, or other self-interest conflict with an audit client. Circumstances that could create this may include a direct financial interest or material indirect financial interest in an audit client, undue dependence on total fees from an audit client or concern about possibility of losing the engagement.

- Advocacy threat: this occurs where a firm or member of the audit team, promotes or may be perceived to promote a client's position or opinion to the point that objectivity may be perceived to be compromised. Examples are dealing or being a promoter of shares or other securities of an audit client, acting as an advocate on behalf of an assurance client in litigation or in resolving disputes with third parties.

- Familiarity threat: when there is a close relationship with an audit client, its directors, officers or employees and the firm or a member of the audit team becomes too

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sympathetic to the client's interest. Example a member of the audit team having an immediate family member or close family member who is a director or officer of the audit client or a long association of senior member of the audit team of the client.

- Intimidation threat: this occurs when a member of the audit team may be deterred from acting objectively and exercising professional expertise by threats, actual or perceived from directors or officers or employee of the audit client. Example, threat of replacement over a disagreement of an accounting principle.

Accountants and auditors have a responsibility to remain independent, therefore when threats are identified, except those that are clearly insignificant; appropriate safeguards should be identified and applied to eliminate the threats or reduce them to an acceptable level. Nature of the safeguards to be applied varies depending on the circumstances but will generally fall into these three:

i) Safeguards created by the profession, legislation or regulation.

ii) Safeguards within the audit client firm.

iii) Safeguards within the audit firms' systems and procedures.

Many reasons have been giving as to what the root causes of ethical dilemmas are in the business environment. Among reasons giving include:

1. Pressure from Management: The burden for public companies to succeed at high levels may place undue stress and pressure on accountants creating balance sheets and financial statements. The ethical issue for these accountants becomes maintaining true reporting of company assets, liabilities and profits without giving in to the pressure placed on them by management or corporate officers. Unethical accountants could easily alter company financial records and maneuver numbers to paint false pictures of company successes. This may lead to short-term prosperity, but altered financial records will ultimately spell the downfall of companies when the Securities and Exchange Commission discovers the fraud.

2. Accountant as Whistleblower: An accountant may face the ethical dilemma of reporting discovered accounting violations to the Financial Accounting Standards Board. While it is an ethical accountant's duty to report such violations, the dilemma arises in the ramifications of the reporting. Government review of company financial records and the bad press caused by an accounting scandal could cause the company's rapid decline and may lead to the layoff of thousands of employees. Executives and other corporate officers could also face criminal prosecution, leading to heavy fines and prison time.

3. The Effects of Greed: Greed in the business and finance world leads to shaving ethical boundaries and stepping around safeguards in the name of making more money. An accountant can never let the desire to earn a better living and acquire more possessions get in the way of ensuring that she follows ethical guidelines for financial reporting. An accountant who keeps her eyes on her own bank account more than on her company's balance sheet becomes a liability to the company and may cause real accounting violations, resulting in sanctions from the SEC.

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4. Omission of Financial Records: A corporate officer or other executive may ask an accountant to omit or leave out certain financial figures from a balance sheet that may paint the business in a bad light to the public and investors. Omission may not seem like a significant breach of accounting ethics to an accountant because it does not involve direct manipulation of numbers or records. This is precisely why an accountant must remain ethically vigilant to avoid falling into such a trap.

An accountant working in the public or private sector must remain impartial and loyal to ethical guidelines when reviewing a company or individual's financial records for reporting purposes. An accountant frequently encounters ethical issues regardless of the industry and must remain continually vigilant to reduce the chances of outside forces manipulating financial records, which could lead to both ethical and criminal violations.

Ethical Sensitivity and Code of Conduct

A strong code of professional and personal ethical guidelines is a critical starting point to embedding ethical behavior. Since ethical sensitivity is the ability to recognize an ethical threat or issue when it occurs and being aware of alternative courses of action leading to an ethical solution and how each alternative course of action affects the parties concerned. The codes set out general guidelines on concepts such as independence, competence and honesty, as well as statements addressing specific issues of professional behavior. These guidelines are backed with the power to monitor and penalize non-conforming members. Written codes of conduct that are comprehensive and clear are now seen as an essential element of good governance and ethics for all organizations. The code of conduct must be clearly written and outline both management and key stakeholders' values. The code must be meaningfully communicated to employees and associated parties.

It is glad to note that over the years many professional accounting bodies all over the world have come up with standard ethical codes that serve as a guide in the performance of duties for its teeming members both in private and public practices. A typical example is the Institute of Chartered Accountants of Nigeria (ICAN) code of conduct for its members. Codes of conduct are pro-active statements about an organization's position on ethical and compliance matters. They are not usually legally binding and they are not a complete or exhaustive list. The essential elements of a code should include:

a. An emphasis on communication and training around core values
b. Building a culture that motivates responsible business conduct
c. Encouraging employees to ask questions about ethics and report potential violations, without fear of reprisal.
d. Values that is clear and meaningfully reinforced.
e. The establishment of confidential reporting frameworks to encourage communication and protect whistleblowers.
f. Establish management processes that support due process and consistent enforcement.
g. Establish processes in place to monitor the program as well as emerging standards and risks to ensure ongoing improvement

Principles in practice may potentially be threatened by a broad range of circumstances including self-interest, self-review, advocacy, familiarity, and intimidation as enunciated above. However, an awareness and understanding of these circumstances will help to establish which fundamental principles are affected by a situation and why. It is therefore extremely

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important for accounting professionals to be ethical in their practices due to the very nature of their profession. The nature of accountants' work puts them in a special position of trust in relation to their clients, employers and general public, who rely on their professional judgment and guidance in making decisions. These decisions in turn affect the resource allocation process of an economy.

The accountants are relied upon because of their professional statues and ethical standards. As such, the key to maintaining confidence of clients and the public is professional and ethical conduct. Thus, accountants, as professionals, are expected to maintain a level of ethical conduct that goes beyond society's laws. This has made the professional accounting bodies to develop a code of professional conduct, which sets rules or standards that define right from wrong to ensure that members' behaviour complies with perceived public expectations of ethical standards. These rules have been developed based on the 'principles of professional conduct', which form the basis of professional ethics.

Resolving Ethical Dilemmas in Audit Practice

Many IFAC member organizations over the years have provided guidance, ethical resolution frameworks, and pathways to help accountants deal with ethical dilemmas. A key question for a professional accountant is whether you would be able to justify your decision to deal with a problem or conflict. A common aspect to guidance on resolving ethical dilemmas is to help accountants define and apply the fundamental principles in their professional code of ethics. A distinguishing mark of the accountancy profession is the responsibility to act in the public interest and professional ethics places an expectation on accountants to self-regulate their behavior in accordance with the Code of Ethics for Professional Accountants (the Code) developed by the International Ethics Standard Board for Accountants (IESBA). IFAC member organizations are required to abide by ethical standards at least as stringent as those stated in the Code.

Accountants' involvement with large corporate scandals in recent times shows that they have not complied with these expected ethical standards. It is often argued that accountants' focus too much on technical issues and lack ethical sensitivity to recognize ethical dilemmas involved with their work, which would ultimately lead to making wrong decisions. Thus, accountants should be trained to be sensitive to identify the moral dimension of seemingly technical issues. This emphasizes the need to include ethics education as a core component of professional accounting education to prepare the accounting professionals to face various ethical dilemmas that they face in carrying out their duties.

The 'Framework for International Education Standards for Professional Accountants' (2009) published by International Accounting Education Standards Board (IAESB) of IFAC identifies that the overall objective of accounting education should be to develop competent professional accountants, who possess the necessary (a) professional knowledge, (b) professional skills, and (c) professional values, ethics, and attitudes. In this respect, the International Education Standard (IES) 4 - Professional Values, Ethics and Attitudes of IAESB recommends that a programme of professional accounting education should provide potential professional accountants with a framework of professional values, ethics and attitudes to exercise professional judgment and act in an ethical manner that is in the best interest of society and the profession. However, IES 4 requires professional accounting bodies to distinguish between teaching students about professional values, ethics and attitudes and developing ethical behaviour. Developing professional values, ethics and attitudes should begin early in the

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education of a professional accountant and should be re-emphasized throughout the career. Thus, developing an ethical behaviour is part of life-long learning of a professional accountant/auditor.

Ethical codes are informative and helpful. However, the motivation to behave ethically must come from within oneself and not just from the fear of penalties for violating professional codes. Presented below is a sequence of steps that provide a framework for analyzing ethical issues. These steps can help the accountant/auditor apply a sense of right and wrong to ethical dilemmas:

Step 1. Determine the facts of the situation. This involves determining the who, what, where, when, and how.

Step 2. Identify the ethical issue and the stakeholders. Stakeholders may include shareholders, creditors, management, employees, government and the community

Step 3. Identify the values related to the situation. For example, in some situations confidentiality may be an important value that may conflict with the right to know.

Step 4. Specify the alternative courses of action.

Step 5. Evaluate the courses of action specified in step 4 in terms of their consistency with the values identified in step 3. This step may or may not lead to a suggested course of action.

Step 6. Identify the consequences of each possible course of action. If step 5 does not provide a course of action, assess the consequences of each possible course of action for all of the stakeholders involved.

Step 7. Make your decision and take any indicated action in the interest of all stakeholders.

CONCLUSION AND RECOMMENDATIONS

This paper reviewed theoretically the relationship between auditing and ethical sensitivity: resolving the dilemma. It reviewed the conceptual base of ethics; the relationship between auditing and ethical sensitivity, the need for ethical sensitivity, ethical dilemmas and threats faced by accountants and auditors and also suggested resolutions to ethical dilemmas that could confront the auditor in the course of practice. The paper emphasized the important role played by auditors in the evaluation of the client's ability to continue in existence as essential to financial statements users. Investors, creditors, customers, and other market participants desire to know whether a company in which they are interested in is in danger of failure. Thus, considering auditor's expert knowledge and their access to inside information, financial statements users expect early warning signals from auditors.

We therefore conclude that accountants and auditors both in private and public practice do face ethical dilemmas or issues that call for increased ethical sensitivity with outcomes that reinforces public trust, integrity and credibility in the profession. Thus we recommended that;

- Accountants and auditors both in private and public practice should fully regard and follow ethical standards to rebuild trust and confidence in the profession.

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- It is imperative that the profession equips the auditor with strong ethical awareness in order to prepare them to successfully meet ethical challenges.
- The firm and the profession should monitor strict auditors' compliance with ethical and professional standards.

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