

Ethics and the accounting profession in Malaysia

Abstract

Ethics, of late, had aroused significant interest amongst practitioners and academics alike. The collapse of Enron, the largest energy-trading company in the US had jolted the profession out of its complacency and serves a warning that all is not well with the profession. It is under scrutiny! The message is clear, if accountants want to be relevant, they have to be more diligent and ethical. This paper reports on an empirical research carried out to understand the impact of the implementation of the By-Laws (On Professional Conduct and Ethics) issued by the Malaysian Institute Of Accountants to its members. We use structured interviews and questionnaires and were able to solicit resources from 92 respondents out of 110 approached. We looked at five issues – whether respondents knew the existence of the By-Laws, how much they knew about it, how much they understood its provisions, why they follow certain principles enshrined in it and how often they refer to it when faced with conflicts which were addressed by the By-Laws. From the study, we found that the By-Laws have no significant influence over their actions and behavior. This was due to the fact that most of them were ignorant of the By-Laws. As such many were unaware of the provisions contained in it. even amongst those who were aware, not many refer to it when faced with ethical dilemma. Any adherence to the provisions of the By-Laws were either coincidental or by default due to them being a universally accepted deeds.