

Ethical Obligations and Decision Making in Accounting: Text and Cases, Sixth Edition

By Steven M. Mintz and William F. Miller

Reviewed by Edward Mendlowitz

The day I finished reading this ethics textbook, I saw a school bus full of kids traveling at least 40 miles per hour on a 25-mph street go straight through a stop sign. The driver clearly did two things that were illegal, but did she also do something unethical?

Ethics was fully on my mind when I witnessed this common transgression. I began to wonder whether ethics questions are necessarily hazy and subject to interpretation. Is ethics a black-and-white issue? Where does the line separate between ethics, veracity, law, morality, honesty and integrity—or are they all intertwined? The casebook that is

that CPAs need to consider all of these as inviolately joined as overriding principles of the way we need to conduct ourselves on a daily basis.

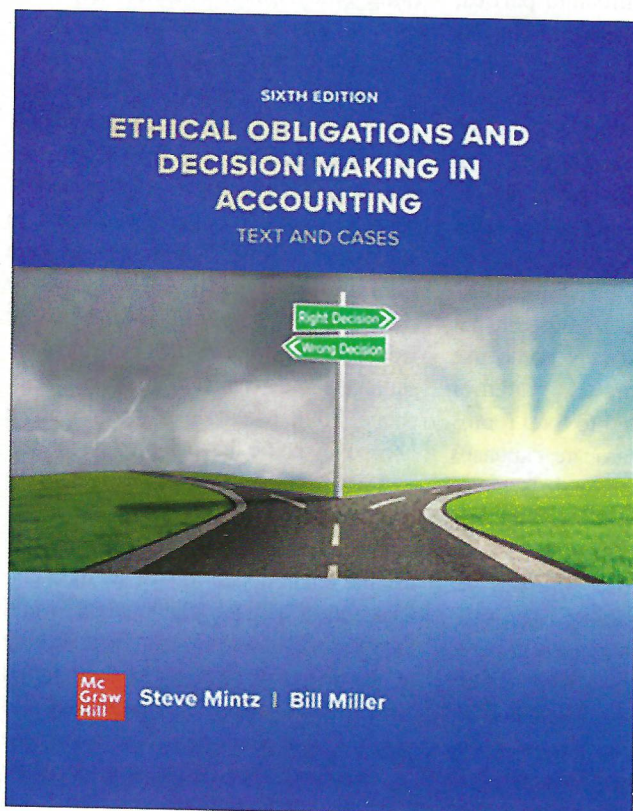
This book is a wakeup call for anyone interested in the many issues revolving around ethical practice within the accountant's workplace. Ethics is prevalent in everything CPAs do. It is a cornerstone of accountancy and ingrained in our professional comportment, but it is equally important in all of the professions, in every type of business, and even when serving on a church or charity committee or board.

I know very few CPAs that look forward to the mandatory triennial ethics course we must take. The same goes for lawyers. I have voluntarily attended certain legal ethics courses because they were taught by Benjamin Franklin and Thomas Jefferson. Not them in person, of course, but by instructors delivering the course in character. They were great—the presentations were entertaining and enjoyable and I garnered some valuable insights from them.

Most CPAs would agree that ethics is important. Except for mandatory courses, however, we do not seem to pay much attention to learning more about it, or even honing our skills. We are faced with ethical decisions continuously, yet many times we cast them aside. Why? Inattention. Distraction. Expediency. Cost. Time. Lack of being a priority. Urgency to get to other things.

I personally feel that a lack of ethics and veracity, bordering on hypocrisy, is prevalent among many leaders, in the United States and around the world. This hypocrisy is a crevice in the foundation of business, in the governance of nations, and the maintenance of civil society. Righting all the wrongs would be an insurmountable task for anyone, but it is vital that we each do our part to not hasten this devolution. We can act to at least suppress hypocrisy through our individual actions and by living a truthful life. CPAs need to transmit this attitude to our staff, clients, peers, and our children by doing what is right and good and ethical at every instance—without exception. We need to ingrain this into our culture and all our actions.

A problem with this book, however, is that it is a college textbook—and thus it is unlikely to be read by practicing CPAs. I read it, one chapter at a time, and found it easy to read and very interesting. I liked the many illustrations and



the subject of this review—*Ethical Obligations and Decision Making in Accounting*, by Steven M. Mintz and William F. Miller—distinguishes between each of these concepts and distinguishes ethics from the others. Nevertheless, I believe

cases, many of which I was aware of from headlines or news stories, but the authors provide the details that really bring the cases alive. There are 10 cases at the end of each chapter, and they all can be used to apply to current client and practice management situations; I already have used some after reading this book.

One type of illustration (repeated from the previous edition) that stuck in my head was when bosses tell a staff person to follow all the rules and diligently complete all the required checklists, yet they wink or use body language signals to the contrary while not assigning the proper time for the work requested. This happens more frequently than it should; it sends the message that it is okay to cut corners—that is, it is okay to act unethically.



Owners and partners are role models; when they succumb to this kind of attitude, they are unwittingly destroy-

up with a lack of ethics, just think about the first time a parent, teacher, clergy person, or boss acted unethical-

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ing their firm's (and our profession's) culture and the ethical behavior of whoever is aware of what is happening. If you ever wondered how people grew

ly. Even one single instance can leave an indelible improper impression on those they were responsible for molding into responsible citizens.



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The focus of Mintz and Miller's book is to help accountants make decisions. It has a practical style, and it is not a pedagogical tome; this is a real-life situation book written for accountants that relates to the situations practitioners encounter all the time. I believe it will catalyze busy owners, partners, and managers—professionals that are called upon, sometimes many times a day, to make the right

decisions. In a smaller book, *Beyond Happiness and Meaning: Transforming Your Life Through Ethical Behavior*, Mintz extends his beliefs in the power and importance of making the right ethical decisions in everyday living for yourself and others you interact with. Ethics is real, relevant, practical, necessary, and essential for functioning businesses, organizations, and society, not to mention the accountants that

serve as their clients' trusted advisors. Making the right ethical decisions is challenging, and sometimes quixotic. Because the right decision can create disruptions, it takes boldness, responsibility, leadership, and character to make this call. The book clearly lays this all out, and it provides glimpses of the consequences of management failure and the normalization of unethical behavior.

We, collectively as a profession, have ethical obligations for ourselves, internally and externally; for our team and everyone for whom we are trusted role models; for risk containment, management, and mitigation; and for proper governance oversight, in order to guard our profession's culture and to be the one person that can be trusted to provide the appropriate advice on the ethical journey.

The bus story at the beginning of this article taught every kid in that bus that it is okay to speed and run through stop signs. That bus driver was a role model who planted a seed of destructive (and illegal) behavior that will manifest when those children reach adulthood. It all starts somewhere, and it should not be with me or you.

Ethical Obligations and Decision Making in Accounting should be read. The lucky students who read it will probably view it as an unenjoyable obligation, perhaps the same way you might view mandatory ethics CPE. If you read this book, however—perhaps one chapter per week—I guarantee you will become a better CPA. You will become more aware of the importance of your ethical actions and your effect on those around you. You will also help mold the future leaders who will serve our profession, communities, and country. It starts with you.

Ethics is real. Make it real! ■

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