

Morality, Ethics and True Image in Business Accounting

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Abstract. *By its nature, the accounting field is in a close connection with ethics, morality and religion. The concepts of morality, ethics and religion are closely connected to each other and at the same time they are complementary. How many bankrupts occurred in economy and how many human dramas could be avoided if morality should have been present? How many rich people could be aware of the sufferings of the majority if the ethics of business would have been known to them? In our everyday living, all over the world and maybe especially in our Romanian space, we very much need a "minima moralia" in the businesses field. The fiddle from the public money, the fiscal evasion, reprogrammed payments and payment exemptions represent main objectives when starting the serious campaign of the moral sanitation in the business field. The temptation of money appeared the same time as "scene" entering of this sign of value. The mirage of the fortune has the same age with "homo oeconomicus". The true image, as a criterion of performance of the accounting field, is basal established on the concepts of ethical and moral nature: truth, honesty, regularity, reality, neutrality, continuity, permanency, etc. The achievement of the accounting truth claims, in equal parts, serious elements of professionalism. A real "fire test" for us is to prove through real facts the absolute governing of an unwritten law: we have to say what we think and, mostly, we must do what we say.*

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1. Preliminaries

Starting from the genesis of the primary cause (*causa causorum*) we think that, in the biblical sense of a fair judgment, the first and the biggest ACCOUNTANT of the universe is God ...himself. How should we imagine otherwise this implacable *post-factum* Justice? For each of us, as human beings, He opened an *account* where He registers, attentively and without partiality, a fair calculation of everything we did right or wrong in our lives, of everything we had to give and everything we had to receive and, through all these, of everything we have built with our love and, at the same time, of everything we have demolished through our hate.

The French thinker Michel Barbá (1984) reminds us, in an original way, a big truth: “*In its way to progress and civilization, the human society cannot ignore the idea of order, discipline and foresight in the field of economy....In the seventh day of the week, instead resting, the God created....The Accountant*”. Like it or not, the world of yesterday, today and tomorrow could not exist in the past and cannot exist in the present and in the future without us. Obviously, we can recognize that the reciprocal statement is in the same way valid.

In front of the Supreme Judge we always reach with “*true image*”, unembellished, appreciated by the end to its “*right value*”! Without having any International Standards of Accounting, the Divine Court seems to be founded on the slogan “*Amicus Plato, sed magis amica veritas*” („Platon is my friend, but more my friend is the truth”). These words are found in „Aristotle’s Life”, signed by Ammonius Saccas, 3rd century AD, a philosopher from Alexandria (Porphyrios, 1998).

2. Accounting connections with ethics, morality and religion

By its nature, the accounting field is in a close connection with ethics, morality and religion. The concepts of morality, ethics and religion are closely connected to each other and at the same time they are complementary (Olaru, 2007, Zanc, Lupu, 2007). Ethics is a rational theory regarding rightness and wrongness, an “upstream” reflection of the values ordered with intelligence and with morality. Formed in principles having already a structure, the ethical values confer a religious connotation with a restrictive character to morality (Horomnea, 2001).

How many bankrupts occurred in economy and how many human dramas could be avoided if morality should have been present? How many rich people could be aware of the sufferings of the majority if the ethics of business would have been known to them? We are happy that on our territory the Romanian

magnate has finally appeared. We are not afflicted by the idea that the total amount of the fortunes existing in the hands of the first ten Romanians magnates of the above mentioned hierarchy means the equivalent of the 2/3 of the currency reserves of the National Bank of Romania. It is important to know if these big fortunes did not intersect in their way of accumulation procedures with the spectacular bankruptcies of certain Banks or Mutual Funds, such as SAFI, Caritas, FNI, etc. In the same way we are interested by the “*cartoon billionaires*”, who were using other people’s money to buy fabulous fortunes at ridiculous prices, based on an obvious financial engineering. Beyond the demand to comply with the terms established by certain privatization programs, the state, as the owner of the shares, had the right and also the liability to establish values of limitation (“*minimum minimorum*”) down to which the sale had to be adjudged. In this way, the new owner could not entirely recover the paid price selling afterwards ... 1/10 or even less from the total amount of the bought shares.

3. Slippages of business ethics

The expression *business ethics* focuses every good, equitable, correct and true element that is present in an assembly of institutions, transactions or efforts, generically called *businesses*. Our thoughts did not reach this word by accident (Olaru, 2010). In our everyday living, all over the world and maybe especially in our Romanian space, we very much need a “*minima moralia*” in the *businesses field*. The fact that a large part of our GDP (Gross Domestic Product) is circulating inside the area of the underground economy, makes us consider that these words deserved to be written.

The fiddle from the public money, the fiscal evasion, reprogrammed payments and payment exemptions represent main objectives when starting the serious campaign of the moral sanitation in the business field. Considering the Romanian phenomena represented by the “wild” capital accumulation, a cramp idea governs in our minds: some people’s “overnight“-getting rich is in a very close connection to some other’s suddenly poverty increasing... Moreover, such “entrepreneurs“ fortune and arrogance has its origin, among other elements, in the smooth passiveness and cowardice of the silent majority, who sees, knows, but...pipes down.

Beyond any elements of flair in businesses, beyond the role played by chance in the estate and financial speculations, beyond the fabulous “heritages”, as specialists in the field of economy we are allowed to put a question, leaving the answer in the count of the esteemed reader. Is there in the world, in the large area of businesses, any activity (production, trade, services, etc.) that may

generate such an accelerated increase of hundreds or thousands of times of the enterpriser's fortune? Of course, we are not considering the fortune of the administrated patrimonial unit that, without a proper management, may be bankrupted, but we are considering the private fortune, of the prosperous business man or of his "collaterals". We're in doubt of this. Entered in the field of money gained without work, the parvenu has an increase on the material level, but has a decrease on the moral level. Ridiculous and scornful, full of himself but empty in his inner part, he looks always "from top" to you, even though his pigmy origin should oblige him to keep his place where he really belongs to. In his suffering mind, everything and everybody has a price, everything may be obtained or ceded with a certain amount of money. From here the idea that he deserves everything on the earth such as: respect, authority, gratefulness, honour, love, success in all fields and on all social levels, praises, social position, political career, etc. Having no soul and knowing nothing about ingenuity, he may count on the fingers his few "friends". His true friends were already lost in his rush for money making. Anyway, because the undeserved prosperity comes at once, in most of the cases it alters the human essence. Obviously, our appraisals exclusively refer to the unscrupulous and devoid of character parvenu, those who through occult means have accumulated in an incredible rhythm fabulous fortunes. Fortunately, in the same areal there are humans of very high value.

4. "Homo oeconomicus" and money temptation

In the same field, the philosopher Aristotle considers that fortunes and money achieving without making any effort represents a degrading fact (Aristotel 2001). Benvenuto Cellini speaks in his own biography about the eternal thirst of hidden earning shown by persons governed by primary instincts that cannot be repressed. This alteration of the mankind to the low levels of character "*leads to all kinds of intrigues and cheating, until it reaches even accidental or precogitated crimes*" (*premeditated, t.n.*) (Cellini, 2003).

The trader of the Middle Ages shows an unlimited desire for money. Starting with the bankers of Arras, depicted by Adam from Halle as "*loving money too much*", we reach the people from Florence depicted by Dante as a "*very greedy tribe, full of envy, pride and very fond of the coin named florin*". The slogan of the trader of the above mentioned period is shown by an anonymous banker from Florence: "*your help, your protection, your honour, your dreams are only the money*" (Horomnea, 2001).

As the founder of a masterpiece in the field of accounting in a double party, Luca Paciolo emphasizes with sorrow that "*many things may happen to*

the trader because honesty is very rare among people". This is why he recommends, quite insisting on the matter, to keep order and exact calculation in the commercial activity. On the other hand, he says that *"if we miss the figures and calculation from the art of trade, this art will soon disappear"*. "The author without luck", Benedetto Cotrugli, had drawn a book of economic behaviour (*"Dela mercantura e del mercante perfecto"*), comprising numerous elements of commercial ethical aspects. The destiny had a word to say in this case: even though the work was written before Paciolo (1494), the book of Cotrugli was published *post mortem* (1573 and 1602). This is the reason for which the Italian is known under this name in the history of accounting (Demetrescu, 1972, Horomnea, 2000).

From the above mentioned matters, we can see that the temptation of money appeared the same time as "scene" entering of this sign of value. The mirage of the fortune has the same age with "*homo æconomicus*". Within a frenetic, foolish rush for undeserved fortunes, the stinginess leads to facts made without any prior thinking.

5. Ethical behaviour in accounting

Therefore, the connection made between businesses, ethics, morality, professionalism and accounting by our approaches is not at all forced or old fashioned (Olaru, 2010, Zanc, Lupu, 2007). Between the objectives of the accounting and the morality of businesses exists a serious interdependency.

The true image, as a criterion of performance of the accounting field, is basal established on the concepts of ethical and moral nature: truth, honesty, regularity, reality, neutrality, continuity, permanency, etc. The achievement of the accounting truth claims, in equal parts, serious elements of professionalism. To reach this objective, the accounting expresses, legalizes and ameliorates the morality of businesses. "*In life, each of us remains debtor towards our profession*" is an everlasting truth, shown by the Marcus Pollio Vitruvius, two thousand years ago (Vitruvius, 1964).

And therefore, might we live with little more accounting or without it? This is a question coming from those who are considering us uncomfortable or even unfriendly partners. We consider such those people who are dealing with other fields of activity than ours, and also those persons who are suffering of the syndrome of "*getting rich-overnight*". The answer, bearing no double meaning, is exposed to a detailing procedure. As long as we live in a relative world, often made of small temptations and facts, we are obliged to calculate, to measure, to think. Obviously, the attribute of relative refers to morality, as well.

We shall try to imagine, even theoretically, a sole hour in which accounting and also the idea of order and foresight will be totally abandoned on the economic level. The chaos, decline and bankruptcy represent the “reward” given by the “natural” laws of economy, applied in the immediate hour of such a dangerous adventure. An uninspired decision in the strategy of enterprise, a single transaction effected incautiously could throw the society from the profitable area in the world of loses or of risks. The accounting does not avoid the risk entirely, but obviously, it may diminish it, sometimes it may anticipate the potential risks.

The fact that one of the richest persons in the world, the famous billionaire Bill Gates, the owner of Microsoft Corporation, was in the first past ...*an accountant*, may represent something in our presentation. Even though in 2001 he lost about 1/5 from his own fortune, 11 billions \$ respectively, “*the unhappy*” still has a fortune of 56 billions \$, being for the 13th year consecutively the richest man in the world. When seeing such performances and paradoxes, it is difficult to know how to correctly react. To express compassion for what he had lost or to envy him for what he still possesses...

After the incursion made by us in the field of businesses, having also in view their asperities, we ascertain serious preoccupation on the direction of “*normalizing*” the accounting behaviour. Arbitrator of the dispute arisen between different users present on the informational market, the economist must express the economic truth in a formalized language. The social order claims real and correct information. At the same time, they must be also intelligible, pertinent, neutral and obviously at a reasonable cost.

The deontology of accounting expresses the assembly of rules and usages that regulates the rates between the accounting professional, as a producer of the information of accounting, and his beneficiary. In our opinion it is the art of fulfilling in an exemplary way the professional duties.

Through deontological behaviour, the accounting, as a professional, must impose for himself a way of working that is compatible with the good reputation of the profession, avoiding any activity that may bring any shadow on his reputation.

In 1995, at the National Conference of CECCAR (The Corp of Accounting Experts and Authorized Accountants from Romania), it was adopted the *Code regarding the ethical and professional behaviour of the accounting experts and authorized accountants from Romania*.

According to this code, the behaviour of the professional accountants and the professional relationships must be characterized by the following aspects:

- integrity: to be fair, honest and sincere in their work;

- objectiveness: they should not cede in front of certain prejudgments or a priori opinions;
- independence: to manifest themselves freely in front of any interest, such as: direct or indirect financial involvement in the activity of a client; involvement as a member of the executive staff or as an employee; the incidence of the family relationships; the level of the received accounting fees; the acceptance of different works performing on the basis of fees not established in advance;
- professional secret: to comply with the confidential character of the obtained information;
- promotion of professionalism and professional competence.

The protection of the honour and independence of the corps has to be ensured by the following elements:

- acknowledgement, competence and awareness;
- independence of spirit and avoidance of involvement from the material point of view;
- morality, probity and dignity.

The behaviour with clients, the quality of the performed works, and punctuality in execution, the self control of the work quality and the remuneration of the performed services are provisioned in the Code of ethical and professional behaviour.

Infringements of the laws or proceedings that are acting against integrity, independence and honour are forbidden by the same rules, even though they take place out of the professional performing.

6. Conclusions

Apart of any doubts, through its nature and functions, the accounting field put an order in economy, promoting the sense of trust in the business field. Together with the moral education coming from the Bible, “the science of accounts” stopped in some way the pathologic thirst for money. The idea that everything you do “will be counted” and you will respond for it is present both in Religion and Accounting.

Under this call, “*homo business*” must always aspire to the moral and social wellness. The professional deontology of the accounting expert is concentrated under the slogan “*Science-Independence-Morality*” and this did not happen by accident. Finally, we would like to emphasize once again the acute actuality of the presented problem. Without any doubts, we can say that there are moments that must not be missed in the life of any nation. Recently, the history opened for us a free lobby. It is important not to lose this big chance.

To know somewhere to be at the right moment and place means that you are helped by the chance. The difficulties arisen by the process of our integration in the supranational structures constantly start and end with the sanitation of the environment, especially focused on the business field. Of course, such a fact means a plus of morality. A real “fire test” for us is to prove through real facts the absolute governing of an unwritten law: *we have to say what we think and, mostly, we must do what we say.*

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