

An Inventory of Support Materials for Teaching Ethics in the Post-Enron Era

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ABSTRACT: This paper presents a "Post-Enron" annotated bibliography of resources for accounting professors who wish to either design a stand-alone course in accounting ethics or who wish to integrate a significant component of ethics into traditional courses across the curriculum. Many of the resources listed are recent, but some are classics that have withstood the test of time and still contain valuable information. The resources listed include texts and reference works, commercial books, academic and professional articles, and electronic resources such as film and Internet websites. Resources are listed by subject matter, to the extent possible, to permit topical access. Some observations about course design, curriculum content, and instructional methodology are made as well.

INTRODUCTION

Never in recent history has the call for ethics education for accountants been more prominent than in the months following the scandals at Enron, WorldCom, Tyco, Arthur Andersen, and others (PricewaterhouseCoopers 2003; AACSB 2003). These scandals have adversely affected the reputation of the accounting profession (Wei 2002). The Sarbanes-Oxley Act of 2002 (Act) contains the most sweeping reforms over financial reporting, corporate governance, and auditing since the Great Depression of the 1930s. Included in the Act are mandated ethical changes that impact accountants both in industry and public practice.¹ State Boards of Accountancy are revising ethics requirements, both for current licensees and new entrants.² Educators, concerned that the professional image of accountancy has declined, are re-examining university students' exposure to professional ethics.

This paper presents the results of a recent literature review of articles, monographs and books, speeches, and electronic media that will help professors who desire to incorporate more ethics material into the accounting curriculum in the "post-Enron age." Some of these resources are new, and some have withstood the test of time. The bibliography is admittedly incomplete because new works are being produced continuously and because so many contemporaneous topics such as fraud, corporate governance, and quality of earnings also contain overlapping ethical implications. It is impossible to list all resources applicable to each of these topics in one place. In addition, it

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¹ For example, independence standards for auditors of public companies have been drastically changed by Title II, Sections 201 through 209 (U.S. House of Representatives 2002, Sarbanes-Oxley Act).

² For example, the state of Texas recently adopted a rule requiring all applicants for the CPA Examination after January 1, 2005 to have a three-semester hour class in ethics on the college transcript.

is possible that some valuable works may have been inadvertently omitted. The works cited and those discussed in the narrative should therefore be regarded as exemplary, rather than all-inclusive, of the growing body of literature that addresses teaching of ethical issues in accounting.

The sections that follow and the correspondingly numbered tables describe: (1) foundational literature dealing with whether ethics can be taught, course design, and theoretical approaches; (2) textbooks and other references; (3) resources describing exemplary ethical or unethical conduct, such as that evidenced at Enron and other companies; and (4) other resources listed alphabetically by subject matter. In each section, books, articles, videos, or Internet websites might be included. Because of space limitations, the narrative does not discuss every work cited. Tables contain information on author (where applicable), titles, bibliographical references, a brief discussion of the resource, and information on how to acquire it.

FOUNDATIONAL LITERATURE

Can Ethics Be Taught?

In spite of the demand for more ethics in the classroom, there is a surprising diversity of opinion whether ethics training and education is of value at all. This article does not attempt to take a position on this issue, but leaves to the reader the tasks of deciding the value of ethics education, as well as the choice of resources and how to use them. Nonetheless, it is important that those who contemplate instituting or increasing ethics coverage understand the complexities associated with doing so. Table 1 contains two articles (McDonald et al. 1995; Peppas and Diskin 2001), which, along with the bibliographical references contained therein, reflect on the relative value of offering ethics education. Piper et al. (1993) offer compelling arguments in favor of the proposition that ethics not only can, but must be taught.

Course Design

Once the decision is made to teach ethics, the next logical decision is whether to design a separate course or to integrate ethics into various classes across the curriculum. A 2003 survey of deans of business schools accredited by the Association to Advance Collegiate Schools of Business (AACSB) revealed that almost 90 percent choose to integrate coverage, rather than to cover ethics in a separate course (Woo 2003). Faculty feel the integrated approach is preferable not only pedagogically, but also logistically, because it does not require "carving out" space for another course in an already crowded catalog. Others (Hanson 1987; Loeb 1998) prefer to address the subject in a separate course, and have provided examples of such courses. Armstrong (1993) advocates a "sandwich" approach, consisting of a general course in ethics (perhaps covered in the humanities section of the curriculum), followed by case-study integration across several accounting courses, and concluding with a capstone course in ethics and professionalism.

Still another decision regarding course design is the proper pedagogical approach in classes (i.e., lecture, case studies, etc.). McNair and Milam (1993) conclude that accounting faculty feel ethics is best taught by the case method and discussion, rather than by lecture. Goodpaster (2002) portrays teaching ethics by the case method as a powerful approach to professional education and gives a thorough and thoughtful analysis of how the case method is best employed. Case discussions and application of decision models help students develop higher-order cognitive thinking skills. A wealth of case studies exists, using familiar entities recently in the news. Many of these are included in Tables 2 and 3. However, Bay and Greenberg (2001) conclude that if students are to be both exposed to the knowledge and inspired to behave in an ethical manner, the professor should supplement case studies with stories of moral courage, as well as practical experience through activities such as community service projects.

TABLE 1
Foundational Literature

Author	Title	Date	Source/ Publisher	Description	How to Obtain
Can Ethics Be Taught?					
McDonald, G. M., and G. D. Donleavy	Objections to the Teaching of Business Ethics	1995	<i>Journal of Business Ethics</i> 14 (10): 839-854.	Addresses a number of the common objections to teaching business ethics that must be overcome. Authors provide responses to these objections, as well as recommendations to facilitate academic ethics training.	Full text available through ABI Inform.
Peppas, S. C., and B. A. Diskin	College Courses in Ethics: Do They Really Make a Difference?	2001	<i>The International Journal of Educational Management</i> 15 (6/7): 347-354.	Uses a study of university business students to determine if those who had taken a course in ethics had significantly different attitudes toward ethics than those who had not. Results showed no significant differences.	Full text available through ABI Inform.
Piper, T. R., M. C. Gentile, and S. D. Parks	<i>Can Ethics Be Taught?</i>	1993	Harvard Business School Press.	Explains the evolution of the development of the Leadership, Ethics, and Corporate Responsibility program at the Harvard Business School. Describes the origins of the initiatives of the program, and the research that led to its design and implementation.	http://www.HBSPress.org ISBN: 0-87584-400-6
Course Design					
Armstrong, M. B.	Ethics and Professionalism in Accounting Education: A Sample Course	1993	<i>Journal of Accounting Education</i> 11: 77-92.	Provides a sample course syllabus in ethics and professionalism, as well as some evidence that prior exposure to an ethics class impacts students' ethical judgments.	Order from Elsevier Publishing 11830 Westline Industrial Drive St. Louis, MO 63146 http://www.blackwellpublishers.co.uk ISBN: 0-631-22123-9 Cost: \$34.95
Goodpaster, K. E.	Teaching and Learning Ethics by the Case Method	2002	In <i>The Blackwell Guide to Business Ethics</i> (N.E. Bowie, ed.) Ch. 6, 117-142.	Describes the process by which author came to recognize the power of teaching ethics by the case method. Illustrates a Case Analysis Template (CAT) for use in analyzing a situation requiring ethical judgment.	Consult your university library. ISBN: 0-7623-0463-4 Cost: \$87
Loeb, S. E.	A Separate Course in Accounting Ethics: An Example	1998	<i>Advances in Accounting Education</i> 1: 235-250.	Describes this experienced author's ethics class at the University of Maryland: course objectives, topics covered, techniques used in teaching. Also provides a literature review.	

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TABLE 1 (continued)

Author	Title	Date	Source/ Publisher	Description	How to Obtain
Moral Development and Reasoning					
Kohlberg, L.	Moral Stages and Moralization: The Cognitive Developmental Approach to Socialization	1976	<i>In Handbook of Socialization Theory and Research</i> (D. Goslin, ed.) Rand-McNally, Chicago 347-480.	Describes six stages of moral development, which have highly influenced ethics instruction and research.	Consult your university library.
Velasquez, M.	Moral Reasoning	2002	<i>In The Blackwell Guide to Business Ethics</i> (N.E. Bowie, ed.) Ch. 5, 102-116.	Defines, describes, and discusses the philosophical theories processes involved with moral reasoning, as well as the challenges to those theories and processes, such as virtue theory and particularist theory.	http://www.blackwellpublishers.co.uk ISBN: 0-631-22123-9 Cost: \$34.95
Williams, P. F.	Accounting and the Moral Order: Justice, Accounting and Legitimate Moral Authority	2002	<i>Accounting and the Public Interest 2:</i> 1-21.	Argues that accounting discourse suffers from incoherence; if some accountants speak as if the institution of accounting is part of a moral order, it follows that for accounting to have moral standing it must be capable of providing good reasons for people to conform to accounting directives.	Full text available through Business Source Premier Publications.
Armstrong, M. B., J. E. Ketz, and D. Owsen	Ethics Education in Accounting Moving toward Ethical Motivation and Ethical Behavior	2003	<i>Journal of Accounting Education</i> (2003) 21: (1): 1-16.	Reviews literature on ethics education in accounting; utilizes Thorne's 1998 Integrated Model of Decision Making (later) to categorize that literature. Authors contend that, in order to be more effective, ethics education must extend beyond "sensitivity" and "moral development" to include virtue consisting of ethical motivation and ethical behavior.	http://www.elsevier.com/inca/publications/store/8/4/0/

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TABLE 1 (continued)

Author	Title	Date	Source/ Publisher	Description	How to Obtain
Values-Driven Models					
Gellis, H., K. Kiladi, and H. H. Friedman	Biblical and Talmudic Basis of Accounting Ethics	2002	<i>The CPA Journal</i> 72 (9): 11-13.	Reviews the Hebrew Bible, especially the Pentateuch (Torah), for precepts dealing with business ethics. Argues that these precepts can be used as a starting point for those interested in developing higher moral standards in business.	Full text available through ABI Inform.
Gough, R. W.	<i>Character Is Destiny: The Value of Personal Ethics in Everyday Life</i>	1998	Prima Publishing Co.	Presents the basic premise that the quality and intrinsic value of life reflects the strength of a single trait: personal character. Referenced extensively in Armstrong et al. (2003) article.	http://www.primapubli- ishing.com/books/ book/824/ ISBN: 0-7615-1163-6 Cost: \$18
Mintz, S. M.	Virtue Ethics and Accounting Education	1995	<i>Issues in Accounting Education</i> (Fall): 247-267.	Describes the meaning and purpose of virtue theory, tells how it relates to accounting practice, and presents pedagogical considerations in teaching virtue to accounting students.	Full text available through ABI Inform.
Thorne, L.	The Role of Virtue in Auditors' Ethical Decision Making: An Integration of Cognitive- Developmental and Virtue-Ethics Perspectives	1998	<i>Research on Accounting Ethics</i> 4: 291-308.	Develops an integrated model of ethical decision making, consisting of two basic categories: (1) moral development (the cognitive acts of recognizing moral issues and thinking them through) and (2) virtue (the ethical motivation and intention to act morally and the ethical character to bring that intention to fruition).	Order from Elsevier Publishing 11830 Westline Industrial Drive St. Louis, MO 63146 Tel: 1 (800) 460 3110 (Toll-free number) or +1 314 453 customers outside U.S. ISBN: 07-623-03395

Theory of Moral Development and Reasoning

The professor preparing to teach a course in ethics should become familiar with the theory of moral development and moral reasoning, and should plan to include a component addressing these topics in a separate class in accounting ethics. Velasquez (2002) defines, describes, and discusses various theories of moral reasoning, as well as challenges to those theories.

Kohlberg (1971, 1976) was one of the first psychologists to seriously study whether the ability to deal with ethical issues can develop in later stages of life and whether education can affect that development. His writings have greatly affected ethics education in accounting. Kohlberg posits three basic stages of moral development: pre-conventional, conventional, and post-conventional. If one continues to develop morally, according to Kohlberg, he or she reaches the highest (post-conventional) level of reasoning, internalizing ethics from a universal point of view, while considering everyone's interests. Kohlberg explains that one of the most crucial factors in growth through the three levels of moral development is education. According to Kohlberg (1971, 229) individuals who have achieved a higher level of ethical development, largely through education and training, can be expected to behave in a more ethical manner. Rest (1979, 1986, 1990) used Kohlberg's stages of moral development to design the Defining Issues Test (DIT), which researchers have used extensively to assess levels of moral reasoning, and thus, ethical development. According to Rest's research, given a particular set of circumstances, the higher one's stage of moral development (as positively correlated to education and measured by score on the DIT) the more "ethically" he or she is likely to behave.

Values-Driven Models

In recent research (Ponemon 1993; Bay and Greenberg 2001) subjects with both low *and* high scores on the DIT were shown to behave unethically, thus conflicting with Kohlberg's theories and casting doubt on the ability of education to predict ethical conduct. Bay and Greenberg (2001) suggest that one possible explanation for their results is that other "emotional" factors besides education were necessary for ethical behavior. They posit that *knowing* the right thing to do is not sufficient to make a person behave in an ethical manner. In addition, the person must also *want* to do the right thing.

A valuable recent article (Armstrong et al. 2003) reviews the literature on accounting education categorized in light of Thorne's (1998) Integrative Model of Ethical Decision Making. The authors conclude that, in order to be more effective, ethics education as well as ethics research should extend beyond "sensitivity" and "moral development" to include virtue, consisting of ethical motivation and ethical behavior. Mintz (1995) describes the meaning and purpose of virtue theory, how it relates to accounting practice, and pedagogical considerations in teaching virtue to accounting students.

AccountingWeb³ (<http://www.accountingweb.com>), a popular site for academics as well as professionals, has recently added a five-part series entitled "Making Ethical Decisions." The series is reprinted from the pamphlet *Ethics in Action* with permission of the Josephson Institute of Ethics. Components include a section on the importance of ethics in the workplace, as well as sections devoted to developing ethical sensitivity to implications of choices, the ability to evaluate complex, ambiguous and incomplete facts, and skills to implement ethical decisions effectively. The series provides a framework of reliable principles for making proper ethical choices as well as suggested procedures for applying those principles to problems in practice.

³ A variety of Internet websites deal with ethics. Not all are worthy of consideration, and the reader should exercise discretion. The author has attempted to do so in selecting websites that are produced by well-known professional bodies with established reputations. The author acknowledges that, in so doing, some other worthwhile sites may have been inadvertently omitted. Readers are encouraged to perform their own research in this area, according to personal and professional tastes.

TEXTS AND SUPPLEMENTARY TEACHING RESOURCES

Table 2 contains textbooks and supplementary teaching resources, including an anthology of ethical literature, as well as useful websites. Surprisingly few current textbooks dealing exclusively with the topic of accounting ethics could be found. One recent book that serves the purpose well is Stuart and Stuart (2004). The text contains background concepts such as the need for ethical reform in business and accounting, as well as ethical decision making. In addition, it includes case studies on virtually every major fraud case that has surfaced in the past four years (Qwest Communications, Bristol-Myers Squibb, Xerox, Global Crossing, WorldCom, Sunbeam, Tyco, Enron, to name but a few). All cases are categorized by financial statement and account balance. In addition, the book features cases on independence, corporate governance, issuance of *pro forma* financial statements, violations of the AICPA code of professional conduct, and tax issues.

Although not an accounting or business textbook, Rachel (2003) is a mainstream text in ethics theory and is versatile enough to be used as a supplementary text in a variety of applications-based courses, including accounting. The book gives a lively introduction to the major philosophical theories of morality, explaining why each theory has been accepted by some thinkers but rejected by others.

For the professor who has the freedom and desire to cover the impact of religion on ethics, Stackhouse et al. (1995) offer one of the most complete anthologies of classical and contemporary teachings on ethics and morality in economic life. It contains readings from the Bible (both Old and New Testaments), the ancient Greek philosophers (Plato, Aristotle, Cicero, Plotinus), Catholic theologians such as Augustine and Thomas Aquinas, and Reformation theologians such as Luther, Calvin, and Wesley. The anthology also includes essays from the Enlightenment period by John Locke, Adam Smith, John Stuart Mill, Immanuel Kant, and Karl Marx. Besides Christian works, the anthology contains readings from Islam, Hinduism, Buddhism, Confucianism, and African traditions. It also includes readings from various ethically committed contemporary business leaders, including a small section on accounting. This anthology is particularly good for professors who desire to address the issue of faith, how it has shaped economic life, and how it can continue to do so globally.

One of the most significant web resources on accounting ethics is the AICPA website (<http://www.aicpa.org>). Three sections of the website are helpful in providing either free or low-cost resources for ethics education. The first is the AICPA *Code of Professional Conduct* (<http://www.aicpa.org/about/code/index.htm>). Many professors will choose to devote a significant section in a stand-alone course to the AICPA. Others may use the *Code* as a reference book in an auditing or professional responsibilities course.

The second section of the AICPA site worth noting is the link to the Professional Ethics Division (<http://www.aicpa.org/members/div/ethics/index.htm>). This site includes the latest rules related to independence, as dictated by the Sarbanes-Oxley Act of 2002. The site also contains links to ethics information for CPAs in business and industry, as well as comparisons between the AICPA *Code* and that of the U.S. General Accounting Office (GAO).

The third section of the AICPA website that is valuable for ethics-related education is the Antifraud and Corporate Responsibility Resource Center (<http://www.aicpa.org/antifraud/homepage.htm>). Both educators and students may choose from a drop-down menu to address this material to their particular perspectives. The sites for educators and students contain links to recent cases (Adelphia, Enron, WorldCom, Lucent, Tyco) and the lessons learned. There is also a link to a website devoted to understanding the auditor's responsibilities for fraud under SAS No. 99, as well as links to AICPA Professor/Practitioner cases that deal with both fraud and ethics. Still another link contains cases based on real situations as reported to the AICPA. These cases cover a broad range of ethical issues related to accounting such as revenue recognition, "cookie-jar" reserves, fictitious invoices, asset misappropriation, and inappropriate tax avoidance. Corporate executives and experts in business ethics and fraud detection also have provided commentaries and analyses.

TABLE 2
Textbooks and Supplemental Teaching Resources

Author	Title	Date	Source/ Publisher	Description	How to Obtain
Brooks, L. J.	<i>Business and Professional Ethics for Executives, Directors, and Accountants</i>	2004	South-Western, 3rd edition	Includes cases, videos, readings. Comprehensive text for ethics and professional course.	http://e-catalog.thomsonlearning.com/155/ ISBN 0-324-20066-8 Cost: \$44.96
Rachel, J.	<i>The Elements of Moral Philosophy</i>	2003	McGraw-Hill	Combines clear explanations of the main theories of ethics with discussions of interesting examples. The text's versatility allows it to be widely used not only in ethical theory courses, but also in applied ethics courses of all kinds	http://www.mhhe.com/catalogs/007282574x.mhtml ISBN: 0-07-282574-X
Stackhouse, M. P., D. P., McCann, and S. J. Roels	<i>On Moral Business</i>	1995	William B. Eerdmans Publishing Company	Contains readings from sources as diverse as the Bible, the great philosophers, and today's ethically committed business leaders. This book is particularly good for professors who desire to address the issue of faith, how it has shaped economic life, and how it can continue to do so globally. An amazingly complete anthology of classical and contemporary resources for ethics in economic life.	http://www.eerdmans.com/shop/product.asp?p_key=0802806260 ISBN: 0-8028-0626-0 Cost: \$50 Desk copies available on request.
Stuart, I., and B. Stuart	<i>Ethics in the Post-Enron Age</i>	2004	South-Western College Publishing	Designed as a core text for an ethics course or as an ethics supplement for financial, intermediate, theory, or auditing courses.	http://accounting.swcollege.com/ ISBN: 0324191936
Website	AICPA Professional Ethics Resources; Code of Professional Conduct	2003	AICPA	Contains a comprehensive list of resources from Professional Ethics Division. Links to AICPA Code of Professional Conduct, containing rules for CPAs in public practice as well as industry.	http://www.aicpa.org/members/div/ethics/index.htm http://www.aicpa.org/about/code/index.htm
Website	AICPA Antifraud and Corporate Responsibility Resource Center	2003	AICPA	Contains commentary, streaming video, case studies on professional ethics; corporate leadership; regulatory, legal, and financial analysis; accounting and auditing. Links to AICPA practitioner/professor cases dealing with fraud and ethics.	http://www.aicpa.org/antifraud/homepage.htm

Still another website with a rich array of supplemental ethics resources for the accounting classroom is that of the Centre for Accounting Ethics at the University of Waterloo (<http://www.arts.uwaterloo.ca/ACCT/ethics/index2.html>). Established in 1991 through a grant from the Canadian Institute of Chartered Accountants (CICA), the Centre promotes ethics teaching and research in accounting, as well as high standards of ethics in accounting practice. The website contains free links to a number of excellent cases, designed to expose students to ethics in academia, public practice (taxation), auditing (management fraud and corporate governance), management accounting, and nonprofit accounting. In addition, the site contains an annotated bibliography on ethics research through 2000.

READINGS AND EXEMPLARY CASES OF ETHICAL AND UNETHICAL CONDUCT

Enron Corporation has become the "poster child" for everything that is unethical about American business, and Arthur Andersen, LLP has occupied the same role for CPA firms. A wealth of material has been produced about them—so much, in fact, that it is probably not possible to cover all of them in one course. Table 3 lists some of these references, along with other notable cases of both unethical and ethical conduct.

Berkowitz (2002) may be used as a supplemental text in several courses across the curriculum, illustrating ethical issues related to Enron. Each chapter contains both study questions and discussion questions to promote classroom interaction on key topics.

A relatively large number of commercial books relating to the scandal at Enron and the downfall of Arthur Andersen, LLP have been published in the past two years. Examples of these works include Squires et al. (2003) and Toffler (2003). In this author's opinion, the former is the most credible. Written by three long-time executives of the firm, the book carefully chronicles the fascinating history of Andersen, and the evolution and expansion of its scope of services. In a sense, the evolution of Andersen is a microcosm of the entire public accounting profession. The authors assert that the firm's culture, which was its hallmark, played a key role in its demise.

Some of the most interesting illustrations of unethical conduct in accounting practice are in the form of video. Since many students tend to be visually oriented, video provides a stimulating supplement to written cases. For example, the video entitled *Bigger than Enron* includes a discussion of the political debate that occurred in 1994 in the U.S. Congress over the expensing of stock options. In the opinion of Arthur Levitt, then-Chairman of the SEC, this event was partly blame for unprecedented abuses of power by CEOs of public companies that occurred during the latter part of the 1990s. Footage shows congressmen, having received large political contributions from high-tech companies in Silicon Valley as well as the largest CPA firms, defending stock options as almost a patriotic act. Later, these same congressmen appear on the opposite side of the table from the firms, incredulous that they could have erred so grievously. The video also graphically explains the resultant earnings management practices that lapsed into fraud at Waste Management, Sunbeam, and Enron, and that eventually led to the collapse of Arthur Andersen, LLP.

One of the best known auditing case books is Knapp (2004). This book provides an excellent supplement for those who choose to integrate an ethics component into an auditing course. Cases in the book portray real companies, including Enron Corporation. While many focus on fraud, they can easily be adapted to include issues on ethics and professional responsibilities of accountants in public practice as well as industry. In addition, sections four through seven include 29 cases covering ethical responsibilities of accountants and auditors, the role of the accountant, and other professional issues.

The video entitled *Cooking the Books* is a good companion to the Knapp text. Produced by the Association for Certified Fraud Examiners (ACFE), the video portrays the frauds at ZZZ Best, Regina Vacuum Cleaner Company, and ESM Securities, two of which are covered in the Knapp book. However, the video is dated (1991) and any references to fraud should be updated in light of the requirements of Statement on Auditing Standards (SAS) No. 99.

TABLE 3
Exemplary Cases of Ethical or Unethical Conduct

Author	Title	Date	Source/ Publisher	Description	How to Obtain
Berkowitz, A. L.	<i>Enron: A Professional's Guide to the Events, Ethical Issues, and Proposed Reforms</i>	2002	CCH, Inc.	Contains chronology of the Enron scandal, how it happened, involvement of Andersen, Lessons Learned, Ethical Issues, Case Studies.	Order from Amazon.com. ISBN: 0-8080-0825-0 Cost: \$49.50
Knapp, M. C.	<i>Contemporary Auditing: Real Issues and Cases</i> (5th edition)	2004	Thompson/ South-Western	Contains updated coverage of the Enron case, plus 11 other comprehensive cases. Sections 4 through 7 include a total of 29 cases covering ethical responsibilities of accountants and auditors, the role of the accountant, and other professional issues.	Order from publisher. ISBN 0-324-18834-X
Squires, S. E., S. Smith, L. McDougal, and W. R. Yeack	<i>Inside Arthur Andersen: Shifting Values, Unexpected Consequences</i>	2003	Financial Times/ Prentice Hall	Offers an inside view of the rise and fall of the accounting giant Arthur Andersen, LLP. Written by four anthropologists and consultants who worked for the firm.	May be ordered from: www.business-minds.com/ (ISBN 0131408968) Cost: \$24.95
Toffler, B. L.	<i>Final Accounting</i>	2003	Broadway	Tells the story of the demise of Arthur Andersen, from the perspective of a former partner in the ethics consulting services division. The author contends that the unique characteristics of the firm that once made it great actually contributed to its downfall.	Michael Gentile Random House, Inc. Academic Marketing 1745 Broadway New York, NY 10019 (ISBN 0-7679-1382-5) Cost: \$24.95 Examination Copy: \$12.50

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TABLE 3 (continued)

Author	Title	Date	Source/ Publisher	Description	How to Obtain
Blank, D., and C. A. Wood	A Matter of Ethics	2003	<i>Internal Auditor</i> 60 (1): 26-31.	Describes how some ethical companies have "gotten it right" from day one through establishing a tone at the top, and by constantly communicating ethical values through video, email, and voice mail.	Full text available through ABI Inform.
Knapp, M. C., T. Louwers, and C. Weber	Celebrating Accounting Heroes: An Alternative Approach to Teaching Ethics	1998	<i>Advances in Accounting Education</i> 1: 267-277.	Discusses the ethical actions of certain individuals and how they can be used as role models for those faced with similar challenges in the workplace.	Consult your university library. ISBN: 0-7623-0463-4 Cost: \$87
Video	<i>Bigger than Enron</i>	2002	Public Broadcasting Service (PBS)	Chronicles the high-flying '90s, regulatory battles over stock options, and the corporate greed that eventually led to the collapse of companies like Sunbeam and Enron, as well as Arthur Andersen, LLP.	Order from PBS: http://www.shop.pbs.org/
Video	<i>Cooking the Books</i>	1991	Association of Certified Fraud Examiners (ACFE)	Describes the frauds at ZZZ Best, Regina Vacuum, and ESM Securities frauds. Dated (pre-SAS Nos. 99 and 82) but still very useful. Easily adaptable to the Knapp book (Table 2). Part of 20-hour self-study course on fraud. Video can be ordered separately.	Order from ACFE: http://www.cfenet.com (select products page) Price, course: \$229 Video alone: \$139
Streaming Video	<i>The Wall Street Fix</i>	2003	Public Broadcasting Service (PBS)	Explains the story of WorldCom and its investment bankers. A Frontline video in five parts. It is a 53-minute tale of big ambition, big money, and big deception.	View online at http://www.pbs.org/wgbh/pages/frontline/shows/wallstreet/view/ .

According to Thorne (1998) and Bay and Greenberg (2001), courses in ethics are incomplete without stories of moral exemplars. Knapp et al. (1998) discuss how the ethical actions of certain individuals can be used as models for those faced with similar challenges in the workplace. Blank et al. (2003) discuss how some companies have succeeded from the outset by establishing a proper ethical "tone at the top," and by constantly communicating ethical values to employees.

OTHER RESOURCES BY SUBJECT MATTER

Table 4 lists other ethics resources for the accounting classroom alphabetically by subject matter. References are included under the following general topics: financial accounting/auditing/fraud, corporate governance, independence, integrity and professionalism, information systems, management accounting, and taxation. Although the list is too long to discuss each reference separately, selected works will be discussed. For the others, the descriptions provided in Table 4 will help guide the selection of the proper resource, given professorial tastes and preferences.

Accounting, Auditing, and Fraud

More published works were found that deal with ethical topics in financial accounting, auditing, and fraud than any other single category. In addition, works cited in Table 2 as textbooks are properly included here as well. For example, Stuart and Stuart (2004) contains a thorough treatment of ethical issues related to specific account balances in financial statements, and to auditing issues such as independence and corporate governance.

On a more general level, *The Philosophy of Auditing* (Mautz and Sharaf 1961) is timeless in its observations of the underpinnings of the auditing profession, which may have been forgotten during the 1990s. Also, *Carl Thomas Devine: Essays in Accounting Theory (New Works in Accounting History)* (Hendrickson, ed. 1999) presents Volume VI containing 13 essays by one of America's great early academic accountants. Volumes I through V were published by the AAA as Studies in Accounting Research No. 22 (Devine 1985). The essays explore in depth the evolution of the author's philosophy, research, and thinking during his nearly 60 years of study. Several of these essays deal with ethics. Works such as these, if covered during the early part of the ethics class, provide a rich background and wonderful context within which to study the ethics of current accounting and auditing developments.

Perhaps the most famous of all speeches related to accounting and auditing in recent years is Arthur Levitt's "The Numbers Game" speech (Levitt 1998), in which the then-Chairman of the SEC expressed his concerns about earnings management that later became prophetic. Speeches such as this can be easily included with other more lengthy assignments in various accounting or auditing topics for a more complete perspective on ethical issues than would otherwise be obtainable.

The Association of Certified Fraud Examiners (<http://www.cfenet.com>) offers an extensive array of free resources to schools that agree to establish a course in fraud examination. Although few of these resources may be downloaded from the Association's website, the syllabus for the course taught at The University of Texas at Austin is available, as well as information on how such a course may be established at other schools. Courses in fraud examination deal with occupational fraud and abuse, as well as fraudulent financial reporting, both of which have ethical implications. For professors who wish to integrate topics in fraud examination, corporate governance, and ethics, these resources can be useful.

The Trueblood Seminar cases, published by the Deloitte & Touche Foundation, are available online (http://www.deloitte.com/more/dtf/cases_date.htm). Although the cases deal specifically with accounting measurement and disclosure issues, many could be easily expanded into ethical discussions in the classroom.

Under the Sarbanes-Oxley Act of 2002, the Public Company Accounting Oversight Board (PCAOB) is given authority to issue auditing, quality control, and independence standards for audit

TABLE 4
Other Ethic Resources by Subject Matter

Author	Title	Date	Source/ Publisher	Description	How to Obtain
Devine, C. T.	<i>Essays in Accounting Theory</i> (Volumes I-V)	1985	American Accounting Association	The first 5 volumes of Devine's essays, some of which relate to ethics. For Volume VI, see Hendrickson (below).	5717 Bessie Drive Sarasota, FL 34233-2399 Phone: (941) 921-7747 Fax: (941) 923-4093 Cost: \$20/volume for members; \$30/volume for nonmembers. May be ordered from Amazon.com ISBN: 0815332637 Cost: \$75
Hendrickson, H. (ed.)	<i>Carl Thomas Devine: Essays in Accounting Theory</i> (New Works in Accounting History)	1999	Garland Publishing	A collection of 13 essays by one of America's great early academic accountants. The essays explore in substantial depth the evolution of the author's philosophy, research, and thinking during his nearly sixty years of study. Several deal with ethics.	
Mautz, R. K., and A. H. Sharaf	<i>The Philosophy of Auditing</i>	1961	American Accounting Association	Chapter 9 (232-240) addresses ethical conduct.	5717 Bessie Drive Sarasota, FL 34233-2399 Phone: (941) 921-7747 Fax: (941) 923-4093 Cost \$20 for members; \$30 for nonmembers. Full text available through ABI Inform.
Moyes, G. D., and A. Anandarajan	What Kind of CPA Detects Fraud?	2002	<i>Internal Auditing</i> 17 (5): 32-41.	Summarizes the results of a study examining auditor characteristics that are associated with fraud detection.	
Elias, R. Z. 2002	Determinants of Earnings Management Ethics among Accountants	2002	<i>Journal of Business Ethics</i> 40: 33-45.	Examines ethics of earnings management using a practitioner sample. Results indicate a positive relationship between social responsibility, long-term focus, idealism, and respondent's ethical perception; negative relationship between short-term focus, relativism and ethical perception of respondent.	Full text available through ABI Inform.

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TABLE 4 (continued)

Author	Title	Date	Source/ Publisher	Description	How to Obtain
Levitt, A.	The Numbers Game	1998	SEC	Famous speech by then-SEC Chairman Levitt accusing the financial reporting community and auditors of "earnings management." Proved prophetic for financial scandals that ensued over the next four years.	http://www.sec.gov/news/speech/speecharchive/1998/spch220.txt
Shafer, W. E.	Effects of Materiality, Risk and Ethical Perceptions on Fraudulent Reporting by Financial Executives	2002	<i>Journal of Business Ethics</i> 38 (3): 243.	Studies CPAs employed as senior executives. Results support the conclusion that quantitative materiality thresholds influence judgment regarding both the likelihood and acceptability of fraud, but that such thresholds do not influence ethical judgments.	Full text available through ABI Inform.
Shearer, T.	Ethics and Accountability from the for-itself to the for-the-other	2002	<i>Accounting, Organizations and Society</i> 27 (2): 541-573.	Explores economic accountability and related social accounting practices. Concludes that neoclassical economics underlying accounting practice that assumes an entity is obligated to pursue only its own good is antithetical to "rendering an account" to others.	Full text available through Elsevier Science Direct.
Thorne, L., and J. Hartwick	The Directional Effects of Discussion on Auditors' Moral Reasoning	2001	<i>Contemporary Accounting Research</i> 18 (2): 337-367.	Behavioral experiment to consider how discussion with peers may influence auditors' subsequent resolution of realistic audit-specific moral dilemmas.	Full text available through ABI Inform.
Website	Association of Certified Fraud Examiners	Current		Offers free resources for professors who establish a course in fraud examination.	http://www.cfenet.com/services/highered/default.asp

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TABLE 4 (continued)

Author	Title	Date	Source/ Publisher	Description	How to Obtain
Website	Public Company Accounting Oversight Board (PCAOB) Trueblood Cases	Current	Public Company Accounting Oversight Board	The PCAOB has affirmed its statutory authority to issue and approve auditing, quality control, and ethical standards for auditors of public companies. In the future, this site will contain links to those standards.	http://www.pcaobus.org/pcaob_standards.htm
Website	Trueblood Cases	Current	Deloitte Foundation, Deloitte & Touche	A wealth of cases from the files of Deloitte & Touche dealing with measurement and disclosure issues of all types, as well as auditing issues.	http://www.deloitte.com/more/DTF/cases_date.htm
Corporate Governance					
Abdel-khalik, A. R.	Reforming Corporate Governance Post-Enron: Shareholders' Board of Trustees and the Auditor	2002	<i>Journal of Accounting and Public Policy</i> 21 (2): 97.	Outlines a proposal to improve the process by which auditors are selected retained and compensated. In addition, author proposes establishing a shareholders' board of trustees, independent of the board of directors, and vesting it with the responsibility of selecting, retaining and compensating external auditors.	Full text available through ABI Inform.
Briloff, A. J., R. M. Orin, M. A. Pendergast, D. J. Summa, and R. J. Sack	Ethics in Business: A Summary of Funded Research	2002	The Ethics in Business Research Fund	Summarizes published articles, with bibliography, intended for use of management responsible for ethical tone in an organization. Very good background information in summary format (29 pages). Pre-Enron, but references the applicability of works cited.	Available in PDF format from AICPA Professional Ethics Division website: http://www.aicpa.org/members/div/ethics/index.htm . (See Resources, Ethics in Business Paper link.)
Donaldson, W. F.	Remarks before the Economic Club of New York	2003	United States Securities and Exchange Commission (SEC)	Lays out advice for corporate governance in the wake of the Sarbanes-Oxley Act of 2002, calling for boards to establish a corporate culture of ethics as well as to redefine CEO performance and how it is evaluated and rewarded.	http://www.sec.gov/news/speech/spch050803whd.htm

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TABLE 4 (continued)

Author	Title	Date	Source/ Publisher	Description	How to Obtain
Imhoff, E. A., Jr.	Accounting Quality, Auditing, and Corporate Governance	2003	<i>Accounting Horizons</i> 17 (Supplement): 117-128.	Reviews the historical development of accounting, auditing, and corporate governance, as well as the changes that have been made by the Sarbanes-Oxley Act of 2002. The author makes the point that further changes are still needed, including mandatory audit firm rotation. He points out that accounting educators can play a key role in stimulating the debate necessary for further reform.	Full text available through ABI Inform. Subscription to journal with AAA membership. If electronic option has been paid for, see http://accounting.rutgers.edu/raw/aaa/electpubs.htm
Rezaee, Z.	High-Quality Financial Reporting: The Six-Legged Stool	2003	<i>Strategic Finance</i> 84 (8): 26-30.	Advocates a corporate governance framework that includes board of directors, audit committee, top management, internal auditors, external auditors, and governing bodies.	http://www.strategicfinance.com
Watkins, S.	Pristine Ethics: Who Do You Trust?	2003	<i>Vital Speeches of the Day</i> 69 (14): 435.	Whistle-blower at Enron describes the slow erosion of values at the top that caused the corporation's demise. She concludes that the best solution is active boards.	Full text available on ABI Inform.
Zikmund, P.	Ferretting Out Fraud	2003	<i>Strategic Finance</i> 84 (10): 28-32.	Describes Dow Chemical Co.'s creation of an in-house department to reinforce the company's high level of ethical business behavior. In the process, they recovered nearly \$4 for every \$1 spent on investigating fraud.	http://www.strategicfinance.com
Independence Abbott, L. J., S. Parker, G. F. Peters, and K. Rughnadan	An empirical investigation of audit fees, nonaudit fees, and audit committees	2003	<i>Contemporary Accounting Research</i> 20 (2): 215-230.	Examines association between audit committee characteristics and the ratio of nonaudit service (NAS) fees to audit fees. Results indicate that audit committees meeting at least four times annually are significantly and negatively associated with the NAS fee ratio.	Electronic access available on a subscription basis from http://www.caaa.ca/publications/index.html

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TABLE 4 (continued)

Author	Title	Date	Source/ Publisher	Description	How to Obtain
Independence Armstrong, M. B.	Ethical Issues in Accounting	2002	In <i>The Blackwell Guide to Business Ethics</i> (N.E. Bowie, ed.), Chapter 7, 145-164.	Includes separate sections on independence and the role of self-regulation (prior to Sarbanes-Oxley).	<a href="http://www.blackwell
publishers.co.uk">http://www.blackwell publishers.co.uk ISBN: 0-631-22123-9 Cost: \$34.95
Previts, G. J.	<i>The Scope of CPA Services</i>	1985	John Wiley & Sons	Describes the history of the accounting profession and the expansion of scope of services and the impact on independence through 1985.	Consult your university library.
Godwin, J. H., R. Sack, and M. H. Sutton	Independence Education Program (IEP)	2000	The IEP Oversight Committee	A collection of three resources, including CD-ROM, Videotape, and 94-page "faculty toolkit" containing teaching materials. Designed as part of a broader program to educate accounting professionals about independence. Though written to a professional audience, easily adaptable to the college classroom.	Available through the American Accounting Association through the following website: <a href="http://accounting.rutgers.edu/
raw/aaa/facdev/teaching/
iep_toolkit.htm">http://accounting.rutgers.edu/ raw/aaa/facdev/teaching/ iep_toolkit.htm .
Integrity and Professionalism Brennan, J. J.	The Market Value of Integrity: Dealing with Corporate Scandals	2002	<i>Vital Speeches of the Day</i> 69 (5): 145-150.	Makes the point that as damaging as the events at Enron, WorldCom, Tyco, and the like have been for investors and employees, these scandals can serve a useful purpose.	Full text available on ABI Inform.

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TABLE 4 (continued)

Author	Title	Date	Source/ Publisher	Description	How to Obtain
Integrity and Professionalism					
Copeland, J.	Post-Enron Challenges for the Auditing Profession: Accountability	2003	<i>Vital Speeches of the Day</i> Volume 69, No. 12, 360.	Retiring managing partner of Deloitte & Touche states that the real driver for reform in the next few years will be intense public scrutiny and strict punishment for offenders.	Full text available on ABI Inform.
DiPiazza, S. A.	It's All Down to Personal Values	2003	Pricewaterhouse Coopers (PWC)	CEO of PWC expresses his opinions of things that must be done to restore public confidence in financial reporting.	http://www.pwcglobal.com/extweb/newcolth.nsf/docid/D401F6A84E6E40CA85256D160064225A?OpenDocument Full text available through ABI Inform.
Douglas, P. C., R. A. Davidson, and B. N. Schwartz	The Effect of Organizational Culture and Ethical Orientation on Accountants' Ethical Judgments	2001	<i>Journal of Business Ethics</i> 34 (2): 101-121.	Examines the relationship between organizational ethical culture in two large CPA firms, auditors' personal values and ethical orientation, and judgments in ethical dilemmas. Finds that prior exposure to ethics education has an impact on subjects' moral judgments.	
Elliott, A. L., and R. J. Schroth	<i>How Companies Lie</i>	2003	Crown Business	Using the case study of Enron's collapse, authors demonstrate how we should now think about and measure the candor of corporations, the Wall Street players, and their supporters.	Random House, Inc. Academic Marketing 1745 Broadway New York, NY 10019 ISBN 0-609-61081-3 Cost: \$18.95; Examination Copy: \$9.50

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TABLE 4 (continued)

Author	Title	Date	Source/ Publisher	Description	How to Obtain
Gunz, H. P., S. P. Gunz, and J. C. McCutcheon	Organizational Influences on Approaches to Ethical Decisions by Professionals: The Case of Public Accountants	2002	<i>Canadian Journal of Administrative Sciences</i> 19 (1): 76-91.	Accountants were asked to comment on a set of ethical dilemmas; findings suggest differences in advice-seeking behavior based on size of firms, and professional codes of ethics to large professional firms.	Full text available through ABI Inform.
Kraemer, H. M. J.	Doing the Right Thing: Values-Based Leadership Is Not an Oxymoron in Corporate America	2003	<i>Vital Speeches of the Day</i> 69 (8): 243-246.	Executive with Baxter International offers personal observations on how scandals can be avoided, and how all must be held accountable.	Full text available through ABI Inform.
Shafer, W. E., R. E. Morris, and A. A. Ketchand	Effects of Personal Values on Auditors' Ethical Decisions	2001	<i>Accounting, Auditing & Accountability Journal</i> 14 (3): 254-277.	A survey of AICPA members to assess their value preferences and reactions to an ethical dilemma involving client pressure for aggressive financial reporting. Contrary to the hypothesis, personal value preferences did not influence auditor perceptions of the moral intensity of the ethical dilemma. As hypothesized, perceptions of moral intensity influenced both ethical judgments and behavioral intentions.	Full text available through ABI Inform.

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TABLE 4 (continued)

Author	Title	Date	Source/ Publisher	Description	How to Obtain
Information Systems Maury, M. D.	E-commerce, ethical commerce?	2002	<i>Journal of Business Ethics</i> 36 (1/2) (Part 1/2): 21-32.	Discusses the "new frontier" of e-commerce and the ethical challenges it is facing, as well as problems and potential solutions. These include the impact on other businesses, investors, and consumers. Problems regarding financial reporting, intellectual property, and privacy are discussed.	Full text available through ABI/Inform.
Sama, L. M., and V. Shoaf	Ethics on the Web: Applying Moral Decision Making to the New Media	2002	<i>Journal of Business Ethics</i> 36 (1/2) (Part 1/2): 93-104.	Four traditional ethical rationales that guide organizational decision making (utilitarianism, distributive justice, moral rights, and relativism) are applied to four moral dilemmas attributed to the proliferation of the dot.com companies as they relate to consumer welfare. Authors conclude that ethical rationale in the New Media is largely nonexistent, and where it exists, it is primarily reactive and driven by utilitarian or relativistic reasoning. Authors suggest some remedies to improve ethical conduct of e-business.	Full text available through ABI/Inform.
Tavani, H. T.	The State of Computer Ethics as a Philosophical Field of Inquiry: Some Contemporary Perspectives, Future Projections, and Current Resources	2001	<i>Ethics and Information Technology</i> 3: 97-108.	Valuable for its content as well as its references. Discusses computer ethics methodologies, the "uniqueness" of computer ethics questions, and speculations about the impact of globalization and the Internet. Also contains a description of computer ethics resources, such as journals, textbooks, conferences, and associations.	Consult your university library.

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TABLE 4 (continued)

Author	Title	Date	Source/ Publisher	Description	How to Obtain
International Cohen, J. R., L. W. Pant, and D. J. Sharp	An Exploratory Examination of International Differences in Auditors' Ethical Perceptions	1995	<i>Behavioral Research in Accounting</i> 7: 37-64.	Adds an international dimension to the study of accounting ethics.	Subscription to journal with AAA membership. If electronic option has been paid for, see http://accounting.rutgers.edu/ raw/aaa/electpubs.htm
Management Accounting Armstrong, M. B.	Ethical Issues in Accounting	2002	<i>In The Blackwell Guide to Business Ethics</i> (N.E. Bowie, ed.) Chapter 7, 145-164.	Discusses ethical responsibilities in managerial accounting (internal and external reporting), public accounting (consulting, taxation, and auditing) as a blend of business and profes- sional ethical issues. Includes separate sections on independence and the role of self-regulation (prior to Sarbanes-Oxley).	http://www.blackwellpublishers .co.uk ISBN: 0-631-22123-9
Taxation Goelzer, D.L.	The PCAOB and tax services	2003	<i>Tax Executive</i> 55 (2): 146-149.	Discusses the PCAOB's effect on the future of tax services.	Full text available on ABI/Inform.
Yeimar, S.A., R.W. Cooper, and G. L. Frank.	Ethical Helps and Challenges	1999	<i>The Tax Advisor</i> 30 (2): 114-120.	Survey of AICPA Tax Division members to ascertain factors that help and challenge tax practitioners. Ethical behavior was found to be affected by their personal values, their firm's formal policies, the organizational culture, and the professional environment.	Full text available on ABI/Inform.

firms registered with the board. These standards will supersede those of the AICPA for those firms in their audits of public companies. Because the PCAOB is still in its infancy, no standards have yet been issued, nor has a process yet been finalized for promulgation of standards. However, the PCAOB has established a website (<http://www.pcaobus.org>) containing a link to its standard-setting process, which provides the most recently released information from this body. This site should eventually include new PCAOB ethics rules as they are developed.

Corporate Governance

Corporate governance is another subject about which much has been written in both the recent academic and professional literature. Abdel-khalik (2002) calls for reforms in corporate governance, as well as the way in which independent auditors are selected, retained, and compensated. In contrast to some in the professional community (Wallison 2003) who feel that the Sarbanes-Oxley Act might have overextended regulation to the point that it threatens to stifle risk taking which is necessary for capital formation and growth, Imhoff (2003) states that the Act did not go far enough, and that further reforms such as mandatory auditor rotation are needed. Professors might integrate works such as these to stimulate an in-class debate on the strengths and weaknesses of the Act, as well as the managerial issues that accompany corporate governance.

The Ethics in Business Research Fund (Briloff et al. 2002) has published a monograph containing its own bibliography of resources summarizing research sponsored by the Fund from the mid to late-1990s. This research focuses on questions of why "good" people make "bad" moral choices. Both external factors and personal factors are studied by these projects. The roles of trust and independence in auditing and accounting are addressed, as well as the benefits and limitations of codes of conduct, both at the professional and corporate levels. Although written before the Enron scandals, an editor's note in the monograph summarizes the conformity of the findings of various research projects to the details of the case. The research summarized in the monograph draws on well-known theories and philosophies of ethics. This monograph serves as an excellent and easily accessible resource for a background section in an ethics course or module.

The texts of speeches provide the perspectives of important players in the game of corporate governance, ethics, and accountability. Speeches by Enron whistle-blower Watkins (2003) on the slow erosion of Enron's corporate ethics, and Donaldson (2003) concerning advice for corporate governance in the wake of the Sarbanes-Oxley Act, are examples.

Independence

Auditor independence is perhaps the most critical ethical issue in accounting that can be addressed. Independence is traditionally viewed as the cornerstone of the accounting profession, and it has been the central focus of many of the recent ethical breakdowns involving major accounting firms such as Arthur Andersen, LLP. Although only three independence resources are listed in Table 4, the reader should remember that many of the references in Tables 1-3 as well as some of the resources listed above under accounting, auditing, and fraud include coverage of independence as well.

One of the most important historical works dealing with auditor independence is Previt's (1985). The book presents a study of the development of the concept of independence and the accounting profession's role in society from its origins in England until the 1980s. The book is part of a broader series entitled *Modern Accounting Perspectives and Practices*. The series was discontinued, although a greatly abbreviated version of Previt's work on independence was included in a later book (Magill et al. 1998) that was also discontinued. Armstrong (2002) also includes independence as a separate and prominent feature in her essay on ethical issues related to accounting. Selected readings from these works lend historical perspective and depth to the study of independence.

One of the best multimedia resources available for the topic of independence is the Independence Education Program (IEP). This program was designed to educate all accounting professionals

involved in financial reporting (auditors, audit committee members, and faculty members) about the importance of independence, and ways in which it is maintained. The IEP Oversight committee (Godwin et al. 2000) assembles a package of three resources: (1) CD-ROM that contains a three-hour instructional program as well as downloadable and printable resources for the classroom; (2) videotape including three video segments and case study that complement instructional materials; and (3) a 94-page "faculty toolkit" containing teaching materials. This will prove to be a helpful supplement to any course module on independence, whether in an auditing course or a separate course in ethics. The American Accounting Association has taken responsibility for dissemination of these materials, which may be ordered free of charge through the website listed in Table 4.

Much of the recent academic literature on auditor independence deals with empirical studies related to audit fees. This was made possible in 2000 when the SEC made it mandatory for public companies to disclose fees related to auditing as opposed to those related to nonaudit services. An example of such works is Abbott et al. (2003).

Integrity and Professionalism

Integrity is defined in the AICPA *Code of Professional Conduct* as the character traits of honesty, candor, and protection of confidentiality. Elliott and Schroth (2003) examine the role of corporate deception in Enron's collapse, and assert the new role that candor should play in corporations, Wall Street power brokers, and their supporters. Selections from these works might be assigned as supplemental reading while covering the concepts of integrity and objectivity. Corporate integrity might be woven into a classroom discussion of auditor integrity and its meaning under the AICPA *Code of Professional Conduct*. Table 4 also contains references to several speeches (Brennan 2002; Copeland 2003; DiPiazza 2003; Kraemer 2003) that add perspectives of key executives regarding the role that demonstrated corporate integrity must play in restoring investor confidence in business practices.

Some of the academic works in this area (Gunz et al. 2003; Douglas et al. 2001) deal with organizational and cultural influences on accountants' behavior. They find, among other things, that the culture of CPA firms has an impact on employee motivation to follow ethical codes. Exposure to studies such as this might provide an interesting supplement to otherwise rather dry coverage of codes of professional conduct.

Ethics Resources for Specific Courses

In the traditional accounting curriculum, the coverage of ethics is largely reserved for the auditing class. It may also be covered in financial accounting, but to a lesser degree. However, there is a growing body of ethics literature that is applicable to courses other than auditing and financial accounting. Table 4 lists a few examples of ethical works specifically adaptable to information systems, managerial, and taxation classroom settings. In information systems, a significant amount of ethics literature (Tavani 2001; Sama and Shoaf 2002) is devoted to exploring the ethical (or unethical) nature of computer ethics, including the Internet. Tavani (2001) also includes a short bibliography of computer ethics resources, which can be helpful to the professor who wishes to dig deeper into these issues. These articles raise important issues for accounting information systems students to consider, as more and more business is conducted over the Internet.

Although the list is short in management accounting, it should be remembered that many of the ethical issues related to management accounting deal with corporate governance included in an earlier section of Table 4. In management accounting and taxation, Armstrong (2002) provides a summary of ethical issues related to these fields. This work is also listed under independence in Table 4. Goelzer (2003) discusses the effects of the PCAOB on tax services, a topic that is likely to surface in tax classes.

CONCLUSION

For those who desire to incorporate ethics into the accounting classroom, whether integrated across the curriculum or in a separate course, there is no shortage of information. This paper describes information available in printed as well as electronic format that can be used to prepare for as well as teach successfully in this area.

A recent survey of M.B.A. students conducted by the Aspen Institute's Business and Society Program revealed that they wished their schools did more to prepare them for the ethical challenges of the workplace (Crawford 2003). Courses or modules on ethics, as well as related topics in corporate governance and fraud detection offer great potential for learning. Early evidence shows that such courses are quite popular among students (Carozza 2003). The bibliography contained in this paper demonstrates that resources are plentiful for teaching ethics in accounting. The only thing remaining is for faculty to commit the time and effort necessary to prepare meaningful course material and to make room in their syllabi or course offerings for ethics. Previous research has offered mixed results as to whether ethics education at the college level will actually make professionals more ethical in their careers. However, recent experience suggests that integrating more ethics coverage into accounting classes seems intuitively to be the right thing to do.

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