Topic: Book-Keeping Ethics

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INTRODUCTION

Working in a bookkeeping role means that you have a responsibility for behaving in the interest of the public. You need to behave ethically and professionally which, at times, can be difficult due to conflicts between what is best for the public and what is best for the client or company you work for.

Ethics refers to moral principles that govern a person's behaviour or the conducting of an activity.

Transparency, Accountability and Probity (TAP)

Transparency is about being easy to understand, and being open, frank and honest in all communications, transactions and operations. It is possible to be accountable by providing a lengthy and technical explanation of every detail, but if this information is not easily understood by the audience, and if key facts are hidden by the sheer volume of information then the information is not presented in a transparent form. Accountability and transparency go hand-in-hand, and involve being aware of who charities are accountable to, what the important pieces of information are, and how they can be communicated most effectively.

Accountability is about being responsible to someone for actions taken; about being able to explain, clarify and justify actions. It implies that someone has a right to know and hold an organisation to account; and that the organisation has

a duty to explain and account for its actions. Charities have this duty as they have a privileged status because their purposes must be for the benefit of the public.

Probity Strict adherence to a code of ethics based on undeviating honesty, especially in commercial (monetary) matters and beyond legal requirements.

The Need for TAP in Business

1. Accountability in business is critical, as the concept enhances the ethics of managers.

2. Being accountable means standing by decisions, actions, and the overall well-being of projects.

3. Accountability is also a management process that ensures employees answer to their superior for their actions and that supervisors behave responsibly as well.

4. Accountability addresses both the organization's expectation of the employee and the employee's expectation of the organization.

5. Accountability, transparency and probity help to increase performance of business as a whole and to maintain a positive company culture, vision, and ethics.

6. People and communities deserve to know the ins and outs of a company's operation before they begin to patronize it.

Attributes of TAP

1) **Right information:** Data needs to be correct. This sounds basic but we don't need to think too long to come up with examples where it is hasn't been quite so. We know that accurate information doesn't necessarily mean stakeholders will make good decisions. Case in point: we have clear data indicating that smoking is bad for one's health, but people are still taking up the habit today. However, fewer people are taking up the habit, and correct information about tobacco—previously obscured—is undoubtedly a contributor to these improved outcomes.

2) **Right stakeholders:** This means that correct information needs to reach the stakeholders who need it to make better decisions (others can have it, too, but they may not need it).

3) **Right format:** Information must be put in the right format to aid in comprehension. For example, it's a safe bet that most citizens affected by gold mining operations in Northern Nigeria are not reading a 158-paged PDF about responsible mining.

4) **Right time:** Successful corporate transparency efforts should be timed in such a way that they enable stakeholders to act in order to improve possible outcomes. It's not enough to state, "Here's what happened. It was/wasn't good." An effectively timed effort will bend trends in the right direction rather than witnessing them as they unfold, because it will reach stakeholders when they are most ready and able to bring about positive change.

5) **Right frequency:** Similar to format, this means that informatriuon must be share in a semi-constant state. Just as a person can look at a watch and instantly (secondly, hourly, or monthly) find the time accurately reflected, companies must be a steady and reliable source of information.

6) **Right intentions:** This refers to being genuine about why information is being made available. What would be different at the company if this information were not shared? Who stands to gain from knowing the story or having the data? Who stands to lose without it?

Problems Created by Lack of TAP in Business

1. Lack of TAP leads to compromised feed back and inaccurate decisions

When there is no transparency among team members, team leaders and the CEO (top leader), rumors, personal biased opinions, incorrect information, nepotism, hatred, fabricated feedback….and the like will control the entire management and leadership processes.

2. Lack of TAP causes high employee turn over

lack of trust and transparency are main reasons employee will look for new jobs. That could be the worst situation that may happen due to this factor. In the first place, it not only create instability but also add significant cost to the organization. Most of the time, organizations invest on the employee by giving training, share skills and experiences and suddenly lose that employee due to lack of transparency.

3. The issue of trust and trust relationship

It is clear that trust enables two or more peoples go together. Team members and leaders can understand each other and perform their best only if trust and trusting relationship is maintained.And it is unthinkable to try maintaining trust if there is no transparency. Thus lack of transparency causes mistrusting environment to be the day to day norm in which everyone live with fear. No transparency-no one knows what is going on behind the scene-thus no one can trust any one!

Solutions to the Problems of TAP in Business

1. Define expectations strategically

What the employees are expecting from the employer and what the employer expects from the employees must be defined clearly, kept updated and realized. So many times the employer and the employees stay together for nothing or without a reason.

2. Develop and Ensure trust

Team members, leaders and the organization generally must trust each other. Sharing of information,entrusting duties and responsibilities to employee, group work, feedback and the like all are bestpracticed only if there is trust. No trust implies that there can never be transparency.

3. Use technology effectively

Usage of various technologies like e-mail, intranet, full automation system like ERP (enterprise resource planning system where everything is operated with the computer system), management information system (MIS), Decision support system (DSS),…etc will obviously facilitate transparency.

4. Give high priority to teamwork and group success in a manner that meets personal successes

While presence of transparency is a foundation to build strong team, organization which promote and establish team work are highly likely to develop transparency. In other words, teamwork is the best place where the need for transparency can be realized.