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INTERPRETING THE PUBLIC INTEREST:
A SURVEY OF PROFESSIONAL ACCOUNTANTS

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By

Laura Davenport
School of Accounting, Economics and Finance
Deakin University

and

Steven Dellaportas*
School of Accounting, Economics and Finance
Deakin University

ABSTRACT

The accounting profession, like all professions, has a commitment to advance the interests of the general community as well as those they are contractually bound to serve. Providing services altruistically, at times without compensation, is a salient feature of the public interest ideal. A review of the literature indicates that the profession has abandoned its public interest role so that serving self-interest now appears to have primacy (Bédard 2001, Canning and O’Dwyer 2001, Parker 1994; Saravanamuthu 2004). The aim of this paper is to examine members’ interpretation of the public interest ideal and to elicit their perceptions on issues arising from the literature. The results of a survey to members of CPA Australia indicate that members can iterate the formal definition of the public interest, but their application of the public interest in conflict of interest situations is inconsistent with this definition.

Keywords: public interest, code of ethics, self-interest, conflict of interest, accounting profession.
Classification Code: M40 General

*Corresponding author: Steven Dellaportas, School of Accounting, Economics and Finance, Deakin University, 221 Burwood Highway, Burwood, Victoria, 3125, Australia. Ph. 9244 6577, Fax. 9244 6283, Email: steven.dellaportas@deakin.edu.au

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INTRODUCTION

The literature on the sociology of professions is dominated by the functionalist view of professionalisation which centres on a checklist of attributes or key criteria to define a profession (Freidson 1993, Abbott 1988, Greenwood 1957). Embedded in these attributes is the underlying notion that a profession’s existence relies on performing services not for its own sake but for the public good (Abercrombie Hill and Turner 1994). Professions are created because of a genuine human need, which in turn, creates a social obligation to serve the public (Carey 1965). Therefore, at the heart of a profession is a commitment to serve and protect the public interest (Mitchell et al. 1994, Bivins 1993, Canning and O’Dwyer 2001, Briloff 1986). Serving the public interest is critical to the accounting profession, yet little is known about this expression or what it means. A transparent meaning is often assumed and therefore overlooked by researchers: “Researchers seldom directly address what is meant by “public interest” or question how accounting is connected to it” (Neu and Graham, 2005: 585). Formal pronouncements of the public interest, normally portrayed through codes of ethics, emphasise ‘the general well being of the community’, however beyond this definition explanatory memoranda is scarce. Prior research on codes of ethics has generally focused on the extent to which members of the accounting profession have complied with codes of ethics and the implications of their transgressions by examining reported cases with punitive outcomes (Loeb 1972, Moriarity 2000, Bédard 2001, Fisher, Gunz and McCutchecon 2001, Canning and O’Dwyer 2001, Parker 1994). One study by Leung and Cooper (1995) sought members’ perceptions on the code of ethics, namely, awareness and knowledge of the code of ethics but few studies, if any, have elicited professional accountants’ views on the understanding the public interest. This paper will extend the work of previous studies by examining a specific aspect of the code of the ethics, in particular the public interest, rather than an examination of the code of ethics or the extent of compliance.

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1 Greenwood (1957) identified and defined five distinct characteristics of a profession: a systematic body of theory; professional authority; sanction of the community; regulative code of ethics; and a professional culture.

2 Empirical evidence indicates that the sanctions warded for misconduct are applied inconsistently (Canning and O’Dwyer 2001, Fisher Gunz and McCutchecon 2001) and the severity of the sanction correlates directly with the public profile of the misconduct (Loeb 1972, Parker 1994).
The social expectations created under the functionalist view of a profession impose on its members a responsibility to provide services in a socially responsible manner. Considering the significance of the public interest to those who rely on the services provided by professional accountants and the profession’s continuing credibility, understanding how this expression is operationalised is critically important. The aims of this paper are firstly to investigate professional accountants’ interpretation of the public interest; secondly, to ascertain their views on how the public interest should be applied in conflicts of interest situations; and finally to elicit their opinions on issues arising from the accounting literature on the public interest. The functionalist view of a profession, which centres on the public service ideal, is one that is favoured by the profession and is often used in official histories and public relations (Preston et al. 1995). Therefore, this paper relies on the definition of the public interest presented in the “Code of Ethics for Professional Accountants” (APESB, 2006) through which the profession secures its self-regulating privileges. This paper is focused on how members of the accounting profession interpret the public interest and therefore understand their professional obligations to the wider community and the extent to which it differs, if any, from its formal pronouncement in the code of ethics. A deviation from its public interest role, whether it is real or perceived, may be viewed as uncaring, irresponsible, self-promoting and possibly untrustworthy. Therefore, its is critically important for the profession to adhere to its public interest role and the findings in this paper will determine whether professional accountants interpret and apply the public interest in a way that is consistent with its formal pronouncement and social expectations.

The following sections of the paper are structured as follows. The next section articulates the meaning of the phrase “the public interest” with a particular focus on authoritative pronouncements which define the public interest as a third party or community obligation. The notion of the public interest is further examined to explore the alleged demise of the public interest ideal with the commercialisation of accounting services and the advent of a client-centred ethos in accounting firms. Section three outlines the method of data collection utilising a descriptive research design by issuing a survey of members of CPA Australia to ascertain their perceptions of the public interest. Section
four outlines the results of the survey which are then analysed in section five by comparing member’s views of the public interest with the third party perspective espoused in formal pronouncements. This analysis highlights the inconsistencies in members’ knowledge and interpretation of the public interest which is often used as the measure by which the profession receives its standing in the community.

LITERATURE REVIEW

The public interest and its third party perspective

The “Code of Ethics for Professional Accountants” issued by the Australian Professional Ethics Standards Board (APESB, 2006) (hereafter referred to as the code of ethics) has been the traditional means by which a profession assures the public and its clients of its responsibilities (Velayutham 2003). The public interest is defined in Codes of Ethics for Professional Accountants (APESB 2006: 100.1) as “the collective well-being of the community of people and institutions the professional accountant serves”. The code of ethics further states that the public consists of “clients, credit grantors, governments, employers, employees, investors, the business and financial community, and others who rely on the objectivity and integrity of members to maintain the orderly functioning of commerce” (APESB 2006: AUST 100.1.1). The public interest is similarly defined in the accounting literature with researchers emphasising the interests of third parties. For example, Parker (1994) defines the public interest as protecting the economic interests of a professional’s clients who consist of third parties [lenders, regulators, social interest groups, government, corporate shareholders] who rely on the work of the professional (for additional examples see also: Jamal and Bowie 1995, and Henderson and Henderson

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3 In 2005, the International Federation of Accountants (IFAC) revised and reissued the Code of Ethics for Professional Accountants following the spate of corporate collapses in the late twentieth century and alleged ethical failures by members of the accounting profession. Member bodies of IFAC, which include CPA Australia, the Institute of Chartered Accountants (ICAA), and the National Institute of Accountants (NIA), were obligated to adopt the code of ethics by 1 July 2006 as the minimum ethical standard. Therefore, professional accounting bodies, who are member bodies of IFAC, are committed to the structure and content of the code of ethics developed by IFAC. Consequently, the definition of the public interest will be similarly defined worldwide. The codes of ethics issued by the AICPA, ICAA, CPA Australia, reviewed prior to 1 July 2006, defined the public interest in similar if not in identical terms. Overall a comparison of codes of ethics issued by AICPA, ICAA, CPA Australia and ICANZ, found similar definitions and explanations of the public interest.
The notion of the public interest and its third party perspective is evident in public accounting in which transparent and reliable financial reports are prepared and audited for the benefit of third parties, namely investors and capital markets. In public accounting, auditors are frequently portrayed as expert decision makers who as respected professionals seek to act in the public interest (Humphrey and Moizer 1990). Under this notion of the public interest, contractual obligations to one’s client are acknowledged but members of the public also expect that an audit will ensure that a company and its directors adhere to their responsibilities.

Whilst the formal definition of the public interest is all-encompassing, one that includes all stakeholders (direct and indirect, real and potential), the decision-usefulness paradigm in accounting has increasingly emphasised a narrower definition of the public which is confined to sophisticated users. The primary users of financial reports, who typically comprise investors and members of the financial community, are readily identifiable and recognised in The Framework for the Preparation and Presentation of Financial Statements published by the Australian Accounting Standards Board (AASB). However, the financial information needs of the general community, who generally lack accounting sophistication, are less certain with little discussion on their requirements (Cooper and Robson 2006). The agenda on financial reporting in most developed countries has increasingly been articulated in terms of the user, so much so that the user is now institutionalised in the language and practice of accounting (Cooper and Robson 2006). However, the concern raised by Cooper and Robson (2006) is that the “user” is increasingly being narrowed to include only one type of user, the ‘investor’. Therefore, the public, in the context of financial reporting, is increasingly being restricted to investors and other sophisticated users.

Historically, the profession has sought to establish itself, and to legitimise its activities, by subscribing to a philosophy that emphasised public service (Preston et al. 1995). However, this philosophy appears to have been eroded with the commercialisation of accounting services, and the transformation of accounting firms into professional service firms. Critics of the public service ideal have emerged against the backdrop of a
profession that was at one time obsessed with profit and growth, resulting in accounting firms expanding into multinational businesses. During the 1980s and 1990s, the range of services provided by accounting firms expanded rapidly, with firms growing their consulting businesses to the point where they generated more revenue than traditional auditing activities (Wyatt 2004). The unfortunate side-effect of a burgeoning consulting business was the negative affect it had on the levels of audit quality (Humphrey and Moizer 1990), and the influence it had on the behaviour of the audit personnel (Wyatt 2004). Audit engagement partners felt increasingly pressured to grow revenues and profit margins rapidly (Duska 2005, Brooks 2004, Toffler 2003). The culture of such firms had gradually changed from providing services in a professional manner to emphasising cost efficiency and revenue maximisation (Wyatt 2004). The consequences of not meeting income targets varied but in the extreme it could result in dismissal from the firm (Zeff 2003). Auditors became more willing to accept additional risk with many longstanding audit procedures scaled-back (Humphrey and Moizer 1990) and clients more easily able to persuade engagement partners to their way of viewing a transaction (Wyatt 2004, Zeff 2003). Keeping clients happy and doing what was necessary to retain the client appeared to achieve a prominence that did not exist prior to the advent of consulting arms (Wyatt 2004).

Accounting firms are now referred to as professional service firms because of their commercial orientation, entailing a wide range of commercial (including auditing, tax advice, insolvency, and management consulting) and professional activities. Assurance services have similarly moved away from low-level substantive tests towards business strategy and risk assessment blurring the traditional dividing lines between audit and consulting (Citron 2002). The profession, as a business, is one that pursues profit and adjusts its activities to the demands of the market. Large accounting firms have arguably developed a strong commercial ethic and accountants who wish to progress in their career must adopt similar values. The notion of client-satisfaction and retention is so ingrained in the culture of accounting firms that the socialisation of trainee accountants assumes a professional identity which, according to Anderson-Gough et al. (2000), has a strong client focus. Anderson-Gough et al.(2000: 1169) further argue that much of the daily
interactions of accountants involving working for people who can pay for their services: “So the service of accountants to some degree will always be about serving the paying client.” According to Cooper and Robson (2006), organisational alignment affects the way that accountants see themselves and what it means in terms of their allegiances and concerns. If auditors see their principal role as serving their managerial clients, rather than the public or investors, then this could affect what they see as appropriate actions. The prominence of a client-centred commercial ethos in accounting firms has arguably come at the expense of the profession’s discursive claims concerning public service. The profession appears to have abandoned its public interest role for a more lucrative one of serving the business community (Saravanamuthu 2004).

The profession’s dual-role in serving the public interest

Whilst the accounting profession has retained its public service ideal in its code of ethics, the business of accounting has embraced a commercial ideology. Consequently, concerns have been raised regarding the profession’s dual-role as a business and a guardian of the public interest. These include (1) a disciplinary system that appears to favour the profession’s self-interest; (2) the profession’s pretext of responsibility to the public where none may exist; and (3) principles of professional conduct such as confidentiality that conflict with the public interest.

Compliance and enforcement

The public interest, as advocated by theorists and professional accounting bodies, is intended to benefit the third parties who rely on the services provided by professional accountants. The lack of proximity between users of financial reports and reporting entities means that users must trust and rely on the professionalism and social expectations of the accounting profession maintained by a system of self-regulation. The profession institutes self-regulatory measures to discipline members who abuse this special relationship and ensures the public is protected against unscrupulous practitioners (Preston et al. 1995). However, empirical evidence questions the profession’s commitment to enforcing the code of ethics in the public interest. Professionals who use
their authority and power to abuse that trust, most often do so to “advance their own interests at the expense of those they serve” (Frankel 1989: 110). Perhaps it is for this reason that at the heart of a profession must be a commitment, first and foremost, to serve the public interest. However, research into the profession’s disciplinary enforcement shows the primacy of self-interest over public interest (Bédard 2001, Parker 1994, Canning and O’Dwyer 2001). Parker (1994) argued that the disciplinary system of the Australian accounting profession insulates itself from external scrutiny by restricting disclosure in order to minimise the loss of public confidence. Furthermore, doling out token penalties for breaches of the public interest creates an outward appearance that the profession is exercising adequate control while not harming the status of the profession (Mitchell et al. 1994). Overall, the process of self-regulation becomes a mechanism to protect the profession’s reputation through damage control rather than serving the public interest (Witten 1990).

**A motivation to advance self-interest**

A commitment to serve the public interest is a defining characteristic of a profession which accords its members’ high income and social status. However, according to Lee (1995), the accounting profession has historically relied on the public interest as a means of protecting its own economic self-interest. Cooper and Robson (2006) contend that many of the early studies on the sociology of professions would readily accept the profession’s articulation of the public interest. However, critics of the functionalist view of a profession insist that the attributes are instituted to benefit the profession and not the public. According to this view, the profession is defined as an interest group seeking status and recognition and codes of ethics and the public interest are simply a public relations ploy to advance their private welfare and not the welfare of the public (Dwyer and Roberts, 2004). The code of ethics and the public interest then become a means to secure privileges for members of the profession. Thus, beneath the overt public interest claims is a submerged self-interest agenda which includes a monopoly of practice (Baker, 2005) reinforced by control over knowledge, skills and by self-regulation (Preston et al. 1995, Walker 1991). Therefore, the inclusion of the public interest in its code of ethics is arguably a reactionary measure to allay criticism of the profession without incurring any
significant costs or exposing audit regulation to further scrutiny (Collins and Schultz 1995, Backof and Martin 1991, Sikka and Willmott 1995). The public interest is mere ‘window dressing’ for the purpose of winning public confidence rather than serving as a moral guide for members of the profession (Collins and Schultz 1995, Lindblom and Ruland, 1997, Mitchell et al. 1994). Overall, there appears to be little evidence of the public interest being added to the code of ethics in order to ensure that the code has moral foundations consistent with the expectations of the public (Lindblom and Ruland 1997).

**Conflicting principles**

The public interest is best served when ethical standards and principles of professional conduct are voluntarily and impartially practised. However, the practical difficulties in serving the public interest become apparent when it involves the resolution of dilemmas involving conflicting principles. The inherent conflict between confidentiality and serving the public interest can be traced to Joplin (1914) who argued along with Beach (1984) and Jamal and Bowie (1995) that it may be impractical to honour confidentiality and the public interest simultaneously when disclosures to outside parties (such as regulatory agencies) must be made. Accountants may find themselves in difficult situations if they learn that one client’s fraudulent activity or negative financial situation will jeopardise the financial health of another (Beach 1984). Disclosing client information to prevent harm to others (after all avenues inside the organisation have been exhausted) is an act consistent with the public interest, yet it violates client confidentiality. The problem here is that it may be “impossible to honour both duties in a given situation” where members must abide by two conflicting duties (Beach 1984: 311). Traditionally, client confidentiality has precedence over other fundamental principles of professional conduct (Witten 1990). However, with the recent spate of corporate collapses, such as Enron and Worldcom, one might argue that the profession’s duty to protect the public interest should be greater than its duty to the client or employer, particularly when timely disclosure to third parties would significantly reduce harm.
RESEARCH METHOD

A questionnaire was used to conduct a survey of members of CPA Australia to explore their views on the role of the public interest. This study adopted a cross-sectional design in the data collection process with a survey issued via e-mail to a random sample of professional accountants consisting of 3,000 members of CPA Australia. The survey was issued by CPA Australia to its members with a covering letter prepared by the authors explaining the purpose of the research and inviting recipients to participate. The survey method of data collection is conducive to measuring attitudes and opinions when there is a large number of participants (Nardi 2006). With a membership in excess of 117,000 members, CPA Australia is Australia’s largest accounting body and the sixth largest accounting body in the world.⁴ To ensure that the confidentiality of information and privacy was maintained, communication with participants and the transfer of information were restricted between the respondents and CPA Australia. The respondents were provided with the researchers contact details, should queries arise, however no direct communication occurred. A total of 52 responses were received representing a response rate of 1.7 percent. Given the disappointing low response rate, a second request to complete the survey was issued to members of the original sample. In the second request, the invitation to participate in this study was amended by inserting a request to disregard the invitation if the recipient had already responded to the initial request to complete and return the survey. A further 27 responses were received, increasing the response rate to 2.7 percent, or 79 surveys.

In order to test for a non-response bias, the data obtained from the participants who completed and returned the survey from the initial request was compared with the data obtained from the participants who responded to the second request. Statistical tests found no significant difference in the demographic data or the responses between the two groups implying a lack of a non-response bias in the sample of surveys collected in this study. Furthermore, consistencies are observed between the demographic data of the sample of respondents who participated in this study and CPA Australia’s membership

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profile (see Table 1). Two variables, gender and membership designation (with the CPA designation representing the largest cohort) are comparable between the two data sets. Additionally, if the number of years of membership with CPA Australia is accepted as a proxy for work experience, the cohort of members with 10-19 years of membership represents the largest proportion of membership which is consistent with the sample of respondents in this study who have accumulated 14.9 years of work experience. The validity of this comparison is dependent on the assumption that the majority of members register with CPA Australia soon after meeting entry requirements and/or the commencement of their careers as professional accountants. Whilst the proportion of members representing the various employment sectors varies between the survey sample and CPA membership, industry and commerce represents the largest cohort of membership in both samples. Overall, the authors believe that the cohort of respondents in their sample is not atypical of the membership profile of CPA Australia. Nonetheless, the relatively low response rate limits the generalisability of the findings and the inferences that are drawn from the data should be restricted to the respondents who participated in this study. Whilst the generalisability of the data is limited, the authors contend that the present study is a valuable contribution to the literature. The public interest in accounting has been critically examined in previous studies (see for example: Dellaportas and Davenport 2007, Baker 2005, Lee 1995, Sikka Willmott and Lowe 1989), but this study presents empirical data on this very important concept. The data represents the views of practising professionals on an issue that is significant to the profession’s existence and stability.

Survey design

The survey instrument contained a series of close-ended questions designed to support the specific objectives of this study: members’ interpretation of the public interest; the application of the public interest in conflicts of interest situations; and opinions on issues arising from the debate in the literature on the meaning of the public interest in
Questions on the respondents’ interpretation of the public interest attempt to determine the extent to which members are aware of and can define a phrase that stands as a measure of public policy. The terms “public” and “interest” are separated in this survey, firstly, to determine the extent to which the respondents perceive the “public” as a community or a special interest group namely investors; and secondly, to determine the extent to which the respondents confine their interpretation of “interest” to the economic interests of users or some broader notion of interest. Following the definition of the public interest, the survey then sought to determine how respondents believe they should apply the public interest in two conflict of interest situations: one involving an accountant in public practice and the other involving an accountant in business. These questions will help to determine whether the respondents’ intended behaviour is consistent with either the third party perspective of the public interest or with a view that is consistent with a client-centred ethos, that is, a self-interested view. Finally, the survey elicited the respondents’ views on: whether compliance and enforcement of the public interest is used as a mechanism by the profession to protect its reputation; whether the profession’s underlying motive for espousing the public interest is to advance its self-interest without a real commitment to the public service ideal; and whether the public interest has precedence over other rules of professional conduct when they conflict with the public interest.

**FINDINGS**

The findings in this study are presented in two parts. The first part examines the respondents’ understanding of the public interest, including their interpretation of the words ‘public’ and ‘interest’, followed by the respondents’ views on how to apply the public interest in conflict of interest situations. The second part examines the respondents’ views on a number of issues arising from the notion of the public interest in accounting.

**Interpreting the public interest**

The first question assesses the extent of members’ awareness of the public interest by asking respondents to indicate where they could locate the formal definition of “the
public interest”. Only 62 percent of respondents (see Table 2) indicated that the location of the formal definition of the public interest could be found in the code of ethics. The remaining respondents indicated that the formal definition was located elsewhere, such as a work reference library (which may or may not include the code of ethics) or a dictionary. Given that all but one of the respondents who indicated a location other than the code of ethics had achieved CPA status or higher, and had therefore been exposed to the code of ethics in their education and training (discussed in more detail below), the results obtained for this question are not as high as expected. Interestingly, almost one third of the respondents (20.3 percent + 12.7 percent) were not sure where to find a formal definition of the public interest or they indicated that a formal definition did not exist.

Further to understanding the public interest, respondents were asked to indicate the extent to which the phrases listed in Table 2 describe the terms ‘public’ and ‘interest’, in the expression, ‘the public interest’. The purpose of these questions is to determine the extent to which the respondents understand the phrase as it is commonly espoused in the code of ethics and in formal pronouncements. The ‘public interest’ is defined in the code of ethics as ‘the collective well-being of the community of people and institutions the member serves’. The substantial majority of respondents (87.3 percent) indicated that the term ‘public’ is an all-inclusive concept that includes all members of the community. This definition is consistent with the formal definition of the public interest, which emphasises the third party or community perspective. The respondents did not emphasise a definition that was restricted to the clients and employers of accountants, nor did the respondents restrict the definition to a group separate from the clients and employers of accountants. Hence, the respondents’ perception of the ‘public’ was consistent with the formal definition and was not based on notions of self-interest.

The term ‘interest’ is an elusive all-encompassing concept without a clear meaning. However, one meaning of the term ‘interest’ is provided in the definition of the public
interest when it refers to the “collective well-being of the community”. Such well-being is normally associated with benefits or outcomes resulting from the services provided by professional accountants. The majority of respondents (68.4 percent) in this study indicated that ‘interest’ is any benefit to a person’s (or group’s) welfare (economic and non-economic). Clearly, the focus of this response is on the interests including benefits or impact ascribed to others. Like the term ‘public’, the respondents’ understanding of the term ‘interest’ is consistent with the generally accepted view of ‘interest’. It appears that the overall respondents’ interpretation of the expression, “the public interest” is consistent with the formal definition of the public interest contained in the code of ethics.

According to the functionalist view of professionalisation, an individual, when he/she qualifies for membership with the professional bodies, assumes the responsibility to serve the public and is expected to apply skills, knowledge and judgement to complex tasks in the pursuit of the public interest. Therefore, in addition to understanding the public interest, members must also understand what it means to serve the public interest. Serving the public interest is generally defined as a commitment to professional and ethical values in the performance of one’s duties. The statements presented in Table 3 represent various perspectives on serving the public interest. Respondents were asked to indicate the extent to which they agree or disagree with such statements, which were then ranked in order of significance from highest to lowest. With the mean score in excess of four (ranging from 4.14 to 4.70) for each of the statements listed in Table 3, the respondents similarly rank all of the various perspectives on what it means to serve the public interest. Even though the statements are similarly important, their ranking in Table 3 indicates that ethical behaviour, preparation of unbiased reports, and compliance with fundamental principles (e.g. independence, objectivity) and technical and professional standards, are most important. Overall, the respondents’ interpretation on what it means to serve the public interest is consistent with the perspectives espoused in the literature.

[Insert Table 3 about here]
All members of the professional accounting bodies are bound by the code of ethics and hence the obligation to serve the public interest falls on such members. The view expressed by the majority of respondents (88.5 percent) in this study is consistent with the expectation of the code of ethics which imposes an obligation on members of the professional bodies to protect the public interest. Whilst respondents understand their obligation to the code of ethics, they were less consistent in identifying their obligation to stakeholders in conflicts of interest situations. Conflicts of interests occur when advancing the interest of one stakeholder clashes with the interests of another. In such circumstances, under the third party perspective, members’ first priority is to the public before the client, employer or oneself. In accounting, the public generally includes users of accounting information, or third parties who may not necessarily be the client. Therefore, in conflicts of interest situations involving the public, the accountant, and others, the member’s first duty is to the public. The third party perspective of the public interest was clearly indicated by the respondents when the majority emphasised a broad community perspective in the definition of the public interest.

Respondents were presented with two conflict of interest dilemmas to assess the way in which they resolve such dilemmas. The first dilemma centres on a conflict of interest for members in public practice, and the second dilemma involves a conflict of interest for members employed in business (see Table 4). The stakeholders identified in the first conflict of interest situation were a member in public practice, the client, and a third party. Only 22.7 percent of respondents indicated that accountants owed their primary duty of care to third parties. This response is inconsistent with the definition of the public interest which the majority of respondents emphasised all members of the community. Serving the public interest requires that third parties should be given priority in dilemma situations, however, 44.3 percent of respondents indicated that they would protect the client’s interest first. In fact, over half of the respondents indicated that they would serve their client’s interests, or their own interests, before that of third parties. Further analysis of the data revealed that 50 percent (12) of respondents employed in public accounting prioritised the interest of their client, which is consistent with the client centred-ethics that allegedly exists in public accounting firms, and only 20% favoured
third parties. Overall, the respondents in this study favoured their client’s or self interest in resolving a conflict of interest dilemma in a professional-client relationship. The results were consistent irrespective of whether the respondent was employed in public practice or elsewhere.

Historically, codes of ethics are founded upon rules and obligations developed in response to issues facing public accountants and the role played by auditors in relation to their clients and external financial reporting. Such issues subsequently dominate the code of ethics, yet the obligation to serve the public interest rests on all members of the accounting profession including accountants in business. The nature of the relationship between accountants in business and their employers should not have a bearing on the accountant’s standard of conduct or commitment to the public interest. Accountants in business have an ongoing duty to be objective in carrying out their professional work and to ensure the accuracy of the information they prepare, even when they are facing pressure from corporate management to do otherwise. The stakeholders identified in the second conflict of interest situation were a member employed in business (the accountant), the accountant’s employer, and a third party. Only 26.6 percent of respondents indicated that they would give priority of duty to the third party. Over 50 percent of respondents indicated that they would first serve their own interest or the interests of their employer. Further analysis of the data found that 55.8 percent of the respondents not employed in public practice favoured their employers’ interests (30.77 percent) or their self interest (25.0 percent), and only 26.9 percent favoured third parties. The results in the second situation, like those for the conflict of interest dilemma for members in public practice, emphasise the self or employer’s interest which is not consistent with the definition of the public interest selected by the majority of respondents, nor the actions deemed appropriate by the code of ethics. Furthermore, in both situations, a significant number of respondents appeared unsure, or were prepared to vary their loyalty with 20 percent indicating that their duty depends on the circumstances. Overall, the results reported in Table 4 appear inconsistent with those in Table 2 which
shows a clear preference for an all-inclusive meaning of the public interest. In summary, the respondents indicated a preference to serve the interests of their clients, employer, or self before the public.

**Issues on the public interest in accounting**

The purpose of this section is to assess the extent to which the respondents identified with certain key issues by examining their perceptions on the various statements listed in Table 5. Statements one to four deal with compliance and enforcement of the public interest, statements five to seven explore the objectives or motivations for espousing the public interest in codes of ethics, and statements eight to nine examine confidentiality and the inherent conflict between protecting the privacy of the client or employer, and protecting the public.

**Compliance and enforcement**

In regard to compliance with the public interest (Statement 1), the majority of respondents (62 percent) disagree with the notion that accountants frequently breach the public interest. Therefore, members perceive that their colleagues’ behaviour is consistent with the public interest. In spite of the respondents’ belief that non-compliance with the public interest is relatively small (15.2 percent), they were asked to indicate whether non-compliance with the public interest, when it occurs, is reported to the professional accounting bodies (Statement 2) and whether the penalties are effective for deterring behaviour inconsistent with the public interest (Statement 3). Only 10.1 percent of the respondents believe that breaches of the public interest by accountants are reported to the professional accounting bodies (Statement 2) and the penalties awarded for breaches of the public interest are comparatively light (37.1 percent, Statement 3). Although breaches of the public interest are perceived by the respondents to be infrequent in occurrence, the respondents do not expect such breaches to be reported to the professional accounting bodies and if so, are not believed to be heavily penalised. Given the impact that breaches of the public interest may have on community trust in the profession, this finding is significant.
Motivation(s) for codes of ethics
Canning and O’Dwyer (2003) and Parker (1994) have suggested that codes of ethics serve a dual purpose, namely to pursue not only the public interest but the profession’s self-interest as well. The majority of respondents (73.4 percent) indicated that the code of ethics is designed and enforced to protect the public interest, not the profession’s self-interest (Statement 5). Therefore, the respondents in this study do not support the dual-purpose view espoused in the accounting literature. This finding is reinforced with the respondents’ view on the code’s purpose to serve as a moral guide (69.6 percent, Statement 7), and the respondents’ lack of acceptance that the code is merely window dressing (62.0 percent, Statement 6). Self-regulation is a salient feature of an independent profession and if trust in the profession is continually eroded due to public scandals arising from breaches of the public interest, the public may withdraw its support for a self-regulating profession and call for government imposed regulations that are legally enforceable. This would not be in the profession’s self-interest. The responses to Statement 4 indicate that nearly half of the respondents (45.6 percent) opposed Government imposed regulation supporting the profession’s view on self-regulation and indicating a belief that the profession can serve the public interest without government supervision or intervention.

Confidentiality vs. Public Interest
In dealing with the inherent conflict in protecting the privacy of the client or employer and the public interest (Statement 8), 40.5 percent of the respondents disagree that the duty to maintain confidentiality prevents breaches of the public interest being reported to third parties. Consequently, a number of respondents believe that accountants sometimes override their responsibility to maintain confidentiality by reporting breaches of the public interest to regulatory agencies. This finding is supported, in part, with 32.9 percent of respondents indicating that accountants should ignore their duty of confidentiality and inform regulatory agencies when a client or employer breaches the public interest (Statement 9). However, in response to this same statement (9), a larger proportion of respondents (37.9 percent) disagreed and indicated that members should honour their commitment to confidentiality. The finding in Statement 8 gives primacy to
protecting the public interest while the finding in Statement 9 gives primacy to client confidentiality. The evidence in this study is mixed; however the finding in Statement 9 is consistent with the literature, and with the history of the accounting profession that has, for so long, placed great emphasis on protecting and maintaining confidentiality.

[Insert Table 5 about here]

DISCUSSION

Codes of ethics and professional responsibilities including the public interest are commonly taught in professional development programs and auditing courses in undergraduate accounting degree programs. The CPA program, a mandatory requirement to attain CPA status, has extensively addressed the code of ethics, professionalism and the public interest. Similarly, in undergraduate accounting education, ethics, professional responsibilities, and codes of ethics are normally taught in auditing courses (see for example, Cohen and Pant 1989, Engle and Elam 1985, Earley and Kelly 2004, McNair and Milan 1993, Power 1991). Even though Auditing in undergraduate degree programs is not a requisite knowledge area to obtain membership with CPA Australia, such courses are commonly prescribed in Australian university degree programs as a required unit. Given that all respondents in this study have completed an undergraduate qualification, or its equivalent, (as this is the basic requirement for membership of CPA Australia) and 78.5 percent (see Table 1) of respondents had attained CPA status or higher, there was an expectation that the respondents in this study, like all members, were aware of the code of ethics and the public interest. The results of this study indicate that 62 percent of the respondents’ knew where to locate the formal definition of the public interest. This finding is encouraging and implies an increasing awareness of the public interest. However, optimism in this finding is tempered with 38 percent unable to indicate the location of the formal definition of the public interest. This is surprising because the respondents would have been exposed to this concept in either their undergraduate and/or professional development education. The respondents’ ability to

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5 Theories of ethics, professionalism, and the code of ethics are extensively addressed in Reporting and Professional Practice, a core segment of the CPA Program.
retain such knowledge throughout their careers raises questions about continuing professional development education and the extent to which such programs should reinforce the public interest ideal.

The formal definition of the public interest, which emphasises third party obligations, is espoused through professional rhetoric and the formal education process. Therefore, it was expected that the respondents’ interpretation of the public interest would align with the definition’s third party perspective. The respondents in this study defined the public interest as an all-inclusive concept that enhances welfare. In serving the public interest, the respondents ranked ethical behaviour as the most important criteria followed by maintaining independence and objectivity in the application of professional judgement. It appears that the respondents were able to iterate the meaning of the expression and how to serve the public interest in a way that is consistent with the formal definition. In this regard, educating professional accountants on the meaning of the public interest appears to have been successful. However, when the respondents were asked to elicit their opinions on whose interests have priority in conflict of interest situations, they favoured particular stakeholders before the interests of the public. In conflict of interest dilemmas, the majority of respondents elected to serve their own interests or the interests of their client, or employer, before the interests of third parties. This contention is supported by the respondents’ views on protecting client confidentiality even when doing so is inconsistent with the public interest. This finding is consistent with critics who argue that the accounting profession has moved away from its public interest focus to serving the fee-paying-client. The separation between the profession and the public has been emphasised by Worsley (1985) [cited in Willmott Cooper and Puxty 1993: 80] who claims that members of the Institute of Chartered Accountants in England and Wales (ICAEW) perceive little or no connection between their individual work and career prospects, and its overtly public interest claims and activities. While the respondents in this study can iterate the technical meaning of the public interest and how to serve it, they appear apply a different meaning when they must resolve a conflict of interest dilemma.
The collapse of Enron in 2001 and other corporate scandals of its time triggered a crisis of confidence in the value of the audit and the associated reliability of the financial statements (Citron 2002). With the subsequent round of regulatory reforms, the Australian Government demonstrated its willingness to intervene when it considered that the profession had failed to adequately protect the public. Consequently, the notion of self-regulation is now under threat from the recently reconstituted Australian Accounting Standards Board (AASB) and Auditing and Assurance Standards Board (AUASB), whose standards have legal backing and both of which report to the Financial Reporting Council (FRC) rather than the accounting profession. These amendments are based on the assumption that legally enforceable and government imposed regulations will be more effective in protecting the public interest than a self-regulating accounting profession. This intervention is inconsistent with the significant percentage of respondents (45.6 percent) who rejected government intervention and the notion that the public interest and the code of ethics are mere window dressing to protect the economic interests of the profession (62.0 percent, see Table 5). Irrespective of the respondents’ views on self-regulation, the Government through the establishment of the FRC and the legalisation of accounting and auditing standards has down-graded self-regulation in favour of government control and oversight. Reinforcing the profession’s public service ideal is one way to stem the tide of increasing government intervention. However in order to achieve this goal, the profession must actively be protecting the public interest because it is the public who are the ultimate judge of a profession’s commitment to the public interest ideal. The now defunct Arthur Andersen is an example of an accounting firm which was judged not by its peers but by the public (Morrison 2004). Legal proceedings against Arthur Andersen were not yet concluded when the firm lost nearly all of its clients and had no choice but to wind down its operations.

Professional accounting bodies worldwide, through their codes of ethics, identify and define the fundamental principles of professional conduct. In turn, serving the public interest occurs when the services provided by accountants are underpinned by excellence and compliance with the fundamental principles of professional conduct. In the latest release of the code of ethics (APESB 2006) the definition and explanation of the public
interest is subsumed in the introduction to the fundamental principles of professional conduct which emphasise the public interest as a hallmark of the profession. The APESB has adopted a pervasive approach to promoting the public interest that permeates all aspects of its code. In this regard, the public interest is goal orientated and aspirational, unlike a rule which is prescriptive and enforceable. Interestingly, it is the rules and explanatory commentary supporting the principle of confidentiality that may have been the primary influence on the respondents’ views and intended behaviours in resolving conflicts of interest dilemmas. For example, Section 140.7 of the code of ethics lists the circumstances under which a member may disclose confidential information. This list excludes any reference to the public interest. Similarly, in conflict resolution guidance (APESB 2006: 100.16), the code of ethics emphasises compliance with the fundamental principles of professional conduct, but again there is no explicit reference to the public interest. Therefore, the findings of this study that relate to confidentiality could be a response to the expectations established by the rules supporting the fundamental principle of confidentiality rather than a response to a broader notion of public responsibility. A proliferation of rules, particularly in independence (Citron 2002), could be detracting from the code’s underlying principles. However, if it is the notion of the public interest upon which the entire code is founded, the public interest should then become the basic requirement for ethical behaviour and not the rules supporting the individual principles of professional conduct such as confidentiality.

CONCLUSION
The purpose of this paper is to explore members’ knowledge and interpretation of the public interest, by eliciting their perceptions and interpretations of the public interest and related issues arising from the accounting literature on the public interest. The public interest is understood in terms of its broad third party or community interests, but respondents choose the narrower option supporting the client, the employer, or oneself when actually dealing with conflicts of interest and issues associated with confidentiality. Consequently, members are not serving the public’s interest, but rather the interests of a select few. The findings in this study indicate that the respondents appear to understand the meaning of the public interest but apply it in way that is inconsistent with its formal
meaning. The formal education process appears successful in transferring knowledge on
the public interest but appears to be less effective in teaching the mechanisms by which
such knowledge is applied in practice. Perhaps greater emphasis should be allocated to
the mechanisms by which the transfer of knowledge to the workplace, such as the public
interest, becomes effective. Historically, an active commitment to the public interest
ahead of professional or personal gain was achieved by members undergoing a liberal
arts education forged in moral education which helped them to develop a state of mind
that emphasised the public service (Preston et al. 1995). This would protect the public
while at the same time legitimise the profession. A return to liberal-arts based education
is one strategy that may overcome the issues identified in this paper.

The findings of this study should be interpreted with caution as they may not reflect the
views of the wider community of accountants. Firstly, the survey was issued to the
members of only one of Australia’s three major professional accounting bodies.
Secondly, in spite of two requests to complete the survey, the response rate (2.7 percent)
remains relatively low which limits the generalisability of the results. Thirdly, the phrase
‘conflicts on interest’ is subject to a range of interpretations dependent, in part, on the
context in which the phrase is couched. The lack of description on ‘conflicts of interest’
in the survey instrument, or its context, means that the respondents may not have been
able to identify with the conflict. Furthermore, the responses in this study may not reflect
the complexity of what members may do in dealing with issues associated with the public
interest in practice. When dealing with questions of compliance, behaviour is the result of
a series of complex and interacting cognitive and situational variables. In spite of these
limitations, the findings in this study address a social need of such importance that a lack
of commitment to it may threaten the profession’s very existence. Future research could
further investigate members’ understanding of who precisely constitutes the public. The
participants in this study indicated a preference to protect the interests of their client or
employer in conflicts of interest situations. Whilst the finding may be interpreted as an
act that is inconsistent with members’ third party obligation, it may have been viewed by
members as an act congruent with their public interest role. Specific and detailed
scenarios that clearly distinguish conflicts of interest dilemmas in business from
dilemmas in public practice could be more effective in eliciting members’ responses to such dilemmas and how they operationalise the public interest.
REFERENCES


Australian Professional and Ethical Standards Board (APESB), 2006, *APES 110 Codes of Ethics for Professional Accountants*, Australian Professional and ethical Standards Board, Melbourne.


Toffler, B.L. 2003, Final Accounting Ambition Greed and the Fall of Arthur Andersen, Broadway Books, New York.


Worsley, F.E. 1985, Governing the Institute, Institute of Chartered Accountants in England and Wales, London.


Table 1 – Sample description and comparison

<table>
<thead>
<tr>
<th></th>
<th>This study</th>
<th>Members of CPA Australia*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>59.5%</td>
<td>60.5%</td>
</tr>
<tr>
<td>Female</td>
<td>36.7%</td>
<td>39.5%</td>
</tr>
<tr>
<td>Undisclosed</td>
<td>3.8%</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Mean length work experience</strong></td>
<td>14.9 years</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Years of membership</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than five years</td>
<td>NA</td>
<td>23.0%</td>
</tr>
<tr>
<td>5-9 years</td>
<td>NA</td>
<td>20.6%</td>
</tr>
<tr>
<td>10-19 years</td>
<td>NA</td>
<td>29.3%</td>
</tr>
<tr>
<td>20-29 years</td>
<td>NA</td>
<td>13.2%</td>
</tr>
<tr>
<td>30-39 years</td>
<td>NA</td>
<td>8.4%</td>
</tr>
<tr>
<td>40-49 years -</td>
<td>NA</td>
<td>3.3%</td>
</tr>
<tr>
<td>Over 50 years</td>
<td>NA</td>
<td>2.2%</td>
</tr>
<tr>
<td><strong>Mean age</strong></td>
<td>38.7 years</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Member designations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fellow Certified Practising Accountant (FCPA)</td>
<td>7.6%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Certified Practising Accountant (CPA)</td>
<td>70.9%</td>
<td>54.7%</td>
</tr>
<tr>
<td>CPA Candidate (Associate)</td>
<td>11.4%</td>
<td>34.6%</td>
</tr>
<tr>
<td>Undisclosed</td>
<td>7.6%</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Check balances</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Banking and Finance</td>
<td>8.9%</td>
<td>NA</td>
</tr>
<tr>
<td>Industry and Commerce</td>
<td>35.4%</td>
<td>25.0%</td>
</tr>
<tr>
<td>Government</td>
<td>13.9%</td>
<td>9.9%</td>
</tr>
<tr>
<td>Public accounting practice</td>
<td>30.4%</td>
<td>17.2%</td>
</tr>
<tr>
<td>Not for profit</td>
<td>13.3%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Other</td>
<td>6.3%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Small and medium enterprises</td>
<td>NA</td>
<td>20.5%</td>
</tr>
<tr>
<td>Retired</td>
<td>NA</td>
<td>7.6%</td>
</tr>
<tr>
<td>Academia/Education</td>
<td>NA</td>
<td>2.6%</td>
</tr>
<tr>
<td>Other</td>
<td>NA</td>
<td>2.5%</td>
</tr>
<tr>
<td>Undisclosed</td>
<td>3.8%</td>
<td>10%</td>
</tr>
</tbody>
</table>

* Data obtained from CPA Australia’s 2006 Annual Report
### Table 2 – The public interest defined

<table>
<thead>
<tr>
<th>A formal definition is located in:</th>
<th>Percent*</th>
<th>Definition of the terms “public” and “interest”</th>
<th>Percent</th>
<th>Interest(s):</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code of ethics</td>
<td>62.0</td>
<td>The public: is all members of the community (it is all inclusive)</td>
<td>87.3%</td>
<td>is any benefit to a person’s (or group’s) welfare (economic and non-economic)</td>
<td>68.4%</td>
</tr>
<tr>
<td>Work reference library</td>
<td>31.6</td>
<td>Consists of the majority members of the community (50% +1)</td>
<td>3.8%</td>
<td>are concerned with the adherence to moral values</td>
<td>10.1%</td>
</tr>
<tr>
<td>Dictionary</td>
<td>20.3</td>
<td>Is anyone who benefits from the products or services provided by accountants</td>
<td>3.8%</td>
<td>are intangible and difficult to describe</td>
<td>5.1%</td>
</tr>
<tr>
<td>Not sure</td>
<td>20.3</td>
<td>Consists of resource providers (lenders; creditors; suppliers; investors)</td>
<td>2.4%</td>
<td>not sure</td>
<td>3.8%</td>
</tr>
<tr>
<td>Formal definition does not exist</td>
<td>12.7</td>
<td>Consists of public sector entities and their recipients (e.g. government, taxpayers, and ratepayers)</td>
<td>1.3%</td>
<td>are mostly concerned with enhancing peoples’ material or economic well-being</td>
<td>2.4%</td>
</tr>
<tr>
<td>Other</td>
<td>11.4</td>
<td>Other</td>
<td>1.3%</td>
<td>relate mostly to client (or employer) satisfaction in the pursuit of legitimate business goals</td>
<td>1.3%</td>
</tr>
</tbody>
</table>

* Response rate is greater than 100%: respondents indicated more than one response.
<table>
<thead>
<tr>
<th>Issue</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Ethical behaviour</td>
<td>0%</td>
<td>0%</td>
<td>3.8%</td>
<td>22.8%</td>
<td>73.4%</td>
<td>4.70</td>
</tr>
<tr>
<td>2. Preparing unbiased financial reports</td>
<td>1.3%</td>
<td>0%</td>
<td>6.3%</td>
<td>24.1%</td>
<td>68.4%</td>
<td>4.58</td>
</tr>
<tr>
<td>3. Maintaining independence and objectivity in the application of professional judgement</td>
<td>0%</td>
<td>1.3%</td>
<td>7.6%</td>
<td>27.8%</td>
<td>63.3%</td>
<td>4.53</td>
</tr>
<tr>
<td>4. Compliance with technical and professional standards</td>
<td>0%</td>
<td>0%</td>
<td>7.6%</td>
<td>38.0%</td>
<td>54.4%</td>
<td>4.47</td>
</tr>
<tr>
<td>5. Maintaining technical expertise and competence</td>
<td>1.3%</td>
<td>1.3%</td>
<td>10.1%</td>
<td>31.6%</td>
<td>55.7%</td>
<td>4.39</td>
</tr>
<tr>
<td>6. Guarding shareholders (and other users of financial reports) against fraud and embezzlement committed by members of the reporting entity</td>
<td>1.3%</td>
<td>2.5%</td>
<td>11.4%</td>
<td>35.4%</td>
<td>49.4%</td>
<td>4.29</td>
</tr>
<tr>
<td>7. Maintaining confidentiality of information about an employer or client</td>
<td>0%</td>
<td>3.8%</td>
<td>20.3%</td>
<td>21.5%</td>
<td>54.4%</td>
<td>4.27</td>
</tr>
<tr>
<td>8. Guarding clients and employers against fraud and embezzlement</td>
<td>1.3%</td>
<td>5.1%</td>
<td>17.7%</td>
<td>30.4%</td>
<td>45.6%</td>
<td>4.14</td>
</tr>
</tbody>
</table>
Table 4 – Priority of duty in conflict of interest dilemmas

<table>
<thead>
<tr>
<th>Public Practice</th>
<th>Percent</th>
<th>Business</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assume a conflict of interest situation in <strong>public accounting practice</strong> involving the accountant, the client, and a third party (e.g. users of the client’s financial information). In resolving this conflict, whose interests should the accountant first protect?</td>
<td>The client</td>
<td>44.3%</td>
<td>The employer</td>
</tr>
<tr>
<td></td>
<td>The third party</td>
<td>22.7%</td>
<td>The third party</td>
</tr>
<tr>
<td></td>
<td>Depends on the circumstances</td>
<td>20.3%</td>
<td>Accountant (him/herself)</td>
</tr>
<tr>
<td></td>
<td>Accountant (him/herself)</td>
<td>12.7%</td>
<td>Depends on the circumstances</td>
</tr>
</tbody>
</table>
Table 5 – Issues on the Public Interest in Accounting

<table>
<thead>
<tr>
<th>Statement</th>
<th>No Response</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Accountants frequently breach the “public interest”</td>
<td>0%</td>
<td>15.2%</td>
<td>46.8%</td>
<td>22.8%</td>
<td>13.9%</td>
<td>1.3%</td>
</tr>
<tr>
<td>2. Breaches against the “public interest” by accountants are always reported to the professional accounting bodies for remedial action</td>
<td>0%</td>
<td>15.2%</td>
<td>41.8%</td>
<td>32.9%</td>
<td>10.1%</td>
<td>0%</td>
</tr>
<tr>
<td>3. The penalties doled out to accountants by the professional accounting bodies for breaches against the “public interest” are comparatively light compared with other offences</td>
<td>0%</td>
<td>0%</td>
<td>16.5%</td>
<td>51.9%</td>
<td>26.6%</td>
<td>5.1%</td>
</tr>
<tr>
<td>4. Protecting the public interest is best served with legally enforceable and government imposed regulations rather than a self-regulating accounting profession</td>
<td>0%</td>
<td>12.7%</td>
<td>32.9%</td>
<td>24.1%</td>
<td>27.8%</td>
<td>2.5%</td>
</tr>
<tr>
<td>5. The code of ethics is designed and enforced to protect the public interest</td>
<td>0%</td>
<td>0%</td>
<td>7.6%</td>
<td>19.0%</td>
<td>50.6%</td>
<td>22.8%</td>
</tr>
<tr>
<td>6. The public interest principle is “window dressing” and exists merely to protect the accounting profession’s good reputation</td>
<td>0%</td>
<td>15.2%</td>
<td>46.8%</td>
<td>16.5%</td>
<td>17.7%</td>
<td>2.5%</td>
</tr>
<tr>
<td>7. The public interest principle serves as a moral guide in the resolution of professional and ethical dilemmas</td>
<td>1.3%</td>
<td>0%</td>
<td>10.1%</td>
<td>20.3%</td>
<td>55.7%</td>
<td>13.9%</td>
</tr>
<tr>
<td>8. Breaches against the “public interest” committed by a client or employer are never reported by accountants to a third party (e.g. regulatory agency) because of the accountant’s duty to maintain confidentiality</td>
<td>0%</td>
<td>2.5%</td>
<td>38.0%</td>
<td>36.7%</td>
<td>19.0%</td>
<td>3.8%</td>
</tr>
<tr>
<td>9. Accountants should ignore their duty to maintain confidentiality and report to a third party (e.g. regulatory agency) breaches against the “public interest” committed by their client or employer</td>
<td>0%</td>
<td>6.3%</td>
<td>31.6%</td>
<td>29.1%</td>
<td>30.4%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>