

Gowthorpe, Catherine and John Blake (1998) *Ethical Issues in Accounting: Professional Ethics*. New York: Routledge

“[...] Accounting is an area of human activity which tends to be regarded by some of its practitioners as neutral and value-free, a reporting function which requires the application of complex technical requirements but no moral involvement beyond adherence to a set of precepts in the form of an ethical code. Practising accountants do not tend to look beyond the narrow confines of the code to consider their roles as moral agents; in fact, it seems likely that they do not consider accounting to be an activity that really has any substantial moral dimension, even though in other areas of their lives they may be deeply concerned with moral issues. This attitude has been identified as ‘ethical dissonance’ by McPhail and Gray (1996) whose empirical work indicates that accounting students, and by implication accountants, regard accounting as a morally neutral area, a ‘separate category of experience’.

However, it is clear to some critics, at least, that accounting is very much more important than the technical standards for undertaking it might imply, and that it has a significant role in the construction of reality in the mainstream (e.g. Hines 1988). It is difficult to overestimate the significance of its role in constructing economic reality because the vocabulary and conventions of accounting permeate our experience of everyday reality so thoroughly. In the United Kingdom of recent years, terms such as ‘profitability’, ‘audit’, ‘cost-cutting’, ‘required rate of return’, ‘UK plc’, ‘uneconomic’, ‘bottom line’ and ‘earnings’ have resonated to an unprecedented degree through the lives of many. The vocabulary of the primary accounting statements has acquired a high degree of authority and acceptance, even where the individual terms are unclear or are misunderstood. Moreover, the language of the private sector has entered the public sector, where the ideas and terminology of accountability and audit have been thoroughly absorbed. The idea of audit has been exported from its financial accounting context into an unprecedentedly wide range of settings (Power 1997), as a means of responding to risk.

These developments may be part of a profound movement in society, the true significance of which may not emerge until we can look back with the benefit of hindsight. Accountants themselves can hardly be expected to bear all the responsibility for the fact that the tools and terminology of their craft have been borrowed and transplanted into so many different organisational and societal contexts. Nevertheless, the outcome is such that accounting’s role as a constructor of reality has acquired an unprecedented importance.” (From the Introduction, pp. 1-2)