

# Professional Ethics in Accounting Curriculum at a Vietnamese University

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## Abstract

Accounting faculty of universities in Vietnam currently takes an important role in the training of human resources for the fields of accounting, auditing and taxation. All professors and lecturers who are teaching in those faculties have participated in editing and changing the accounting curricular in order to meet the needs of the market labor and requirements of new internationally professional standards. The integration of professional ethics into the curriculum has raised the concern of many universities not only in Vietnam but also in the world. This paper will present how to integrate professional ethics into the curricula in teaching and learning by Faculty of Accounting and Auditing of Banking University of HCMC. The results of the study will highlight some recommendations for improving the contents of courses used for the teaching and learning accounting effectively. The research is presented in this paper as follows: a short literature review and then the methodology of interviewing the professors in accounting fields who have the best experiences in education of accounting. Also, students who are studying accounting course will be interviewed. In addition to, content Analysis research methods and a case study approach are used to investigate the whether it is necessary for teaching and learning of Professional Ethics in accounting at Banking University of HCMC. The paper aims to answer the following questions: (i) Should ethics be taught in accounting classes at universities? (ii) How professional ethics has been taught and learned: as a separate course or integration into different accounting and auditing courses?.

**Keywords:** Professional ethics, accounting curriculum.

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Cite this article: Trung, N. K. (2016). Professional Ethics in Accounting Curriculum at a Vietnamese University. *International Journal of Management, Accounting and Economics*, 3(4), 261-271.

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## Introduction

Professional ethics is the issue related to fraud scandals in many companies have taken place in many countries and caused the great damage to the economy and society. Those scandals that have raised questions about professional ethics of business in general and in particular the accounting profession. It is suggested that the accountant is a major factor leading to the decline in moral standards of an enterprise, as well as affecting the reputation, image and prospects for survival and development of the enterprise.

Activities accounting is a complex task and has the high legal nature. Therefore, the accounting profession requires the accountant must comply with the professional rules that are built on the basis of the experience which drawn from actual accounting practices. The process of summarizing the practice experiences has built up a system of accounting standards. Standards of professional ethics in general accounting and auditors in particular have an important role for the economy – society. That is the basic principle of accounting - audit activities.

The role of accountants has changed dramatically during recent decades from the technical position to the advisory position in the companies and in doing so, the accountants need to gain the trust of both companies and society (Helps, 1994). However, the accounting scandals and the collapse of one of the largest accounting firm Arthur Andersen in the beginning years of this new century has damaged the trust on accountants. Many efforts have been done by researchers, professional bodies, and governmental agencies around the world to aim at rebuilding public trust on accounting profession. It is believed that one of the ways to restore the reputation and the confidence on accounting profession is enhancing ethical education for accountants especially for new generation of accountants (Pricewaterhousecoopers, 2003). Many also suppose that university accounting education has an important role in developing proper rationale for accounting students as future accountants in making ethical decision (Thomas, 2012). In reality, ethics education has been integrated to many different extents into the accounting curricula in universities around the world for many years (Thomas, 2012 and Kai-wen, 2007).

In Vietnam, accounting curricula of many universities have changed during recent years for the purpose of international integration but this change may be under the expectation of many stakeholders. Many conferences held by leading universities in Vietnam, namely University of Economics of HCMC, Danang University of Economics, Hanoi National University show one of limitations of the accounting curricula is focusing too much on technical aspects rather than non-technical aspects such as professional ethics or soft skills, etc. Thus, we conduct this research to investigate what and how the professional ethics has been currently taught and learned in accounting curriculum of Banking University of HCMC. The rests of this paper are organized as follows: Section 2 reviews some previous studies and a short literature review; Section 3 describes the research methods; Section 4 presents the results of the study and finally, Section 5 concludes and provides some recommendations.

## Literature Review

Each country has specific rules of ethics applicable to each profession; each organization, associations, businesses are self-made towards the professional ethical rules (Code of Ethics - CoE) regulations for its member organizations to get more trust from the community. In regards to auditing career in the United States, Sarbanes -Oxley existence of the accounting profession - auditing ratified by US Congress on 07.30.2002; along with "The auditing standards and professional ethical standards" organized by American Institute of Certified Public Accountants (AICPA) issued. Also, in Vietnam, professional ethical standards issued by the Ministry of Finance on 01/12/2005 which include fundamental principles and standards of professional ethics for the practice of accounting and auditing. So, there should be proper notions of ethics review:

Table 1. Notions of ethics

Ethics is not	Ethics is
Simply about matters of a private nature or personal feelings	A community enterprise based on universal principles and rational debate
A matter of mystery	About power relations between people
A matter only for 'experts' (e.g., religious authorities, philosophers, lawyers)	About participation in a moral community & ownership of the community's rules
About endless disputes or irresolvable 'dilemmas'	A problem solving activity
A fixed set of knowledge/beliefs (usually claimed to relate to our childhood development & circumstances)	An educational process in which we develop insight into what constitutes responsible moral action

Source: The University of Adelaide, 2002 & B.Howieson, 2007

The accounting scandals and the collapse of one of the largest accounting firm Arthur Andersen in the beginning years of this new century have damaged the trust on accountants. Many efforts have been done by researchers, professional bodies, and governmental agencies around the world to aim at rebuilding public trust on accounting profession. In addition, it is well known that Enron has also engaged in unethical earnings manipulations such as falsely recording expenses as assets and hiding debt in complicated off balance sheet financial arrangements (Helps, 1994). That event has happened in the accounting area that raise more concerns of society. Andersen, audit firm, has violated professional ethics while performing audit services to Enron. In 2000, Enron paid Anderson \$25 million for audit fees and \$27 million in other service charges - a fee too large. In return, Enron was Anderson bouncer of confidence for investors when reporting on their profitability, but is actually \$500 million loss in 1997. Anderson was a serious violation of principles professional ethics that are economically independent. In January 2001, the auditors of Anderson vehemently oppose the Enron accounting method is immediately transferred to other units. Or another employee assess the Enron's stock has no prospects, and immediately be transferred their jobs. So Anderson has violated the principle of integrity and objectivity. The most significant point is Anderson signed a contract as a consultant for Enron, and then Anderson played the role as the auditor to

audit Enron financial statements. This shows that the principle of independence has been seriously violated in Anderson. The auditors' fraud in Anderson has posed the problems of professional ethics education in accounting area. Examples of Enron and Anderson have shown that the break of the standards of professional ethics and credibility affected, images, prospects of the company, but it also affects other parties involved.

Therefore the professional standards of accounting practices in the world was formed and established by the International Federation of Accountants (IFAC) to resolve these problems above. Code of Ethics for Professional Accountants (APES 110 Code) combines the contents of the Code of Ethics for Professional Accountants by the International Council for Ethical Standards for Accounting (IESBA) issued. IESBA is a standard-setting bodies independently under the auspices of the International Federation of Accountants (IFAC), which is a member of CPA Australia. According APES 110 Code of Ethics for Professional Accountants - Part A professional accountant should comply with the "Basic Principles" include: Integrity, Objectivity, Professional competence and due care, Confidentiality, Professional behaviour (CPA Australia, 2013). According to The free Encyclopedia Wikipedia, professional ethics in accounting (or accounting ethics) is a field of applied ethics, the study of moral values and judgments as they apply to accountancy. The strongest call for ethics in accounting education in university comes from the International Federation of Accountants (IFAC), a global organization of 158 member bodies dedicated to the enhancement of the accounting profession and the harmonization of accounting practices worldwide (Dellaportas et al., 2005). In 2014, IFAC issued the revised IES 4, Initial Professional Development – Professional Values, Ethics, and Attitudes that prescribes the learning outcomes for professional values, ethics, and attitudes that aspiring professional accountants are required to demonstrate by the end of Initial Professional Development. According to the standard, although the teaching and learning programs or curricula of professional values, ethics and attitudes will reflect its own national and cultural environment and objectives, a minimum all programs or curricula should include (IFAC, 2014):

- a) the nature of ethics;
- b) differences of detailed rules-based and framework approaches to ethics, their advantages and drawbacks;
- c) compliance with the fundamental ethical principles of integrity, objectivity, commitment to professional competence and due care, and confidentiality;
- d) professional behavior and compliance with technical standards;
- e) concepts of independence, skepticism, accountability and public expectations;
- f) ethics and the profession: social responsibility;
- g) ethics and law, including the relationship between laws, regulations and the public interest;
- h) consequences of unethical behavior to the individual, to the profession and to society at large;

- i) ethics in relation to business and good governance; and
- j) ethics and the individual professional accountant: whistle-blowing, conflicts of interest, ethical dilemmas and their resolution.

In the US, the Sarbanes-Oxley Act of 2002 was passed in response to financial scandals such as Enron and WorldCom. This law requires public companies more accountable for their finances. Sarbanes-Oxley Act established new rules and penalties for public companies to provide investors with a guarantee of safety in investing activities. This Act created the "Board oversight of Company Accounting mass," Public Company Accounting Oversight Board the "or PCAOB, with responsibility for monitoring, investigation, inspection and discipline in the company accounting for their roles as auditors of public companies (Sox-online, c2016). This new law affected the decision of users who have been using accounting and financial information because it requires companies to be responsible for the financial decisions of stakeholders.

Miller and Becker conducted a survey of U.S. accounting faculty from 44 states and 97 different institutions on the current level of ethics integration across the accounting curriculum and what really covered in the courses (Miller and Becker, 2011). A highly rate of faculty (78%) agreed that ethics should be taught and 87% of respondents supported teaching it across the curriculum rather than in a single course. The study also revealed many topics covered in different courses such as role of accounting in society, defining ethics, right versus wrong, ethical theories, decision making models, identification of ethical issues, evaluating of ethical issues, resolving ethical issues, using critical thought, analysis, judgment.

Anzeh and Abed investigated the extent of ethics education for the undergraduate degree in accounting at public and private Jordanian Universities (Anzeh and Abed, 2015). A thematic content analysis methodology is conducted to interpret the collected Forty-Four syllabi for four courses offered in the universities which represent the sample of the study. These courses are Auditing, Islamic Accounting, Accounting Theory and International Financial Reporting Standards (IFRS) that given in the year 2013. As the result of that, the significant existence of ethics coverage into the undergraduate accounting curriculum specially in "auditing" course as a module of the study across Jordanian Universities was given by the authors. Moreover, the study also recommends that Business Faculties in Jordan should encourage the extracurricular activities orientations for further support of ethics integration through designing the accounting curriculum in professional way to prepare students to their future endeavors. Moreover, in contrast to (Miller and Becker, 2011), the result of this research illustrates the traditional approach to "teach the code" in accounting curriculum.

Tesfayohannes and Driscoll (2010) had conducted a content analysis on 7 popular textbooks to assess the extent to which ethics is integrated into those textbooks. By analyzing each entire textbook, page-by-page, the researchers were able to evaluate page exposure and frequency of reference to terms related to ethics mentioned in the textbooks. Then, each textbook was reviewed for coverage of the specific ethical terms based on coverage scale ranging from 1 to 5 (1 is an indicator for "just mentioned" and 5 for "adequately covered with examples, case studies and exercises"). Tesfayohannes and

Driscoll had indicated that some of the more popular texts in entrepreneurship and small business management have a long way to go to equip themselves with the ethical concepts, practical examples and case analyses that would facilitate the development of ethical entrepreneurship. The research also strengthens the linkage between the fields of entrepreneurship and ethics is fundamental to the creation of a sustainable entrepreneurial economy and the development of ethically and socially responsible entrepreneurs. Moreover, business educators, administrators, textbook authors, and educational policy makers should consider advocating for facilitating the integration of entrepreneurship and ethics concepts and practices into entrepreneurship textbooks. Teaching Ethics in universities provides a fresh approach to moral education, skilfully presenting ethical thinking and reasoning as a dynamic and essential aspect of school life (Cam, 2012).

### Research methods

By using the content analysis, an exploratory textbook analysis method and interviews method, the article does address two issues (i) Should professional ethics be taught in accounting classes? (ii) How to teach professional ethics: as a separate course or as contents in different accounting and auditing courses?

In order to answer the question “How to teach professional ethics: as a separate course or as contents in different accounting and auditing courses?” the first method is considered in advance. Analyzing the curriculum in Accounting shows the sign of what contents of ethics are being taught in the university and how they are taught.

The curriculum in Accounting was issued by the Rector of Banking University according to the Decision 1434 as of October 8<sup>th</sup>, 2014 has included *Business Ethics and Organizational Culture* course. The approved syllabuses include:

Table 2. List of courses

No.	Name of Course
1	Principles of Accounting
2	Principles of Auditing
3	Financial Accounting 1
4	Financial Accounting 2
5	Financial Accounting 3
6	Management Accounting
7	Financial Auditing
8	Bank Auditing
9	Bank Accounting 1
10	Bank Accounting 2
11	Accounting Information System
12	Administrative Accounting
13	Internal Controls

All courses which are taught in the accounting curriculum are technical in nature and include the certain percentage of practical skills. For example, Principles of Accounting teaches how to record the financial transactions and how to prepare the financial

statements. In regards to Auditing, this course is divided into three modules, such as Principles of Auditing, Financial Auditing and Bank Auditing that students have to study in year 2, year 3 and year 4, respectively. Principles of Auditing course helps students to gain the knowledge and skills about the role of audit activities, audit risk assessment, planning and issuing the audit reports based on the framework legislation and the audit profession. For Financial Auditing and Bank Auditing, these courses help students understand the business characteristics, internal control and audit procedures for the main items on the financial statements of the enterprise and the commercial banks.

The textbooks used in the courses by Faculty of Accounting – Auditing in teaching are listed on the table below:

Table 3. List of textbooks

Author(s)	Year	Title	Publisher
Le Thi Thanh Ha & Tran Thi Ky	2014	Principles of Accounting	Statistical Publisher (Hanoi)
Le Thi Thanh Ha & Nguyen Quynh Hoa	2013	Financial Accounting	Financial Publisher (Hanoi)
Nguyen Thi Loan et. al.	2012	Management Accounting	Economics Publisher of HCMC (HCMC)
Nguyen Thi Loan et. al.	2012	Administrative Accounting	Economics Publisher of HCMC (HCMC)
Nguyen Thi Loan et. al.	2013	Bank Accounting	Statistical Publisher (Hanoi)
Nguyen Thi Loan et. al.	2013	International Accounting	Labor Publisher
Economics University of HCMC	2014	Auditing	Economics Publisher of HCMC (HCMC)
Economics University of HCMC	2010	Internal Controls	Eastern Publisher (Hanoi)
Economics University of HCMC	2013	Accounting Information System	Eastern Publisher (Hanoi)

Table 2 provides briefly information about the textbooks that are currently used in teaching and learning in accounting curriculum. Only two of these textbooks, Auditing and Internal Controls textbooks mention the ethical themes that are used to analyze and evaluate later in this paper.

The following method, in-depth interview, is carried out on lecturers and students. This method will help us to determine that “Is this necessary to include professional ethics in accounting curriculum?” Then, “Does the current curriculum cover a reasonable coverage of professional ethics?” Furthermore, another issue should be considered is that “Should professional ethics be taught in accounting classes?” The objects of the interviews are divided into two groups: firstly, some of lecturers that represent the lecturers who have the best experiences in teaching Accounting - Auditing as professors, department heads, and senior lecturers. The other group includes one of the students in years 3 and 4 studying in accounting and auditing. The questions are conducted in two groups above. The contents of those questions are represented in the results section.

## Results

After analyzing the syllabi of all courses included in the curriculum, there are some ethical themes that were found in two courses Principles of Auditing and Internal Controls: (1) Nature of Ethics, (2) Ethical Codes of Professional Conduct, (3) Auditor Responsibilities, (4) Auditor Liabilities, and (5) Fraud and related issues. The following results reflect the content of accounting ethics in the learning objectives of the syllabi of the selected courses (Table 3).

Table 4. Ethics Education-Learning Objectives

Learning Objective Themes	Principles of Auditing	Internal Controls
Provide a general understanding of Ethical values, nature concepts and need in auditing	Mentioned	
Provide students with an understanding of Ethical codes of professional conducts	Mentioned	
Provide an explaining of auditors responsibilities to clients and stakeholders	Mentioned	
Provide an understanding of fraud concept, characteristics, forms, and responsibilities to detect	Mentioned	Mentioned
Provide a vision of theoretical foundation of accounting theory, Ethical, behavioral, and social approaches	Mentioned	

Similarly, the analysis of textbooks presented in Table 2 shows that there are some ethical themes are presented in Auditing and Internal Controls textbooks. Ethics concepts, principles, cases and assignments appear to be narrowly applied in these textbooks. Table 4 shows the extent of Professional ethic contents covered by each textbook. The textbook which dedicated the most coverage was the Auditing textbook of Economics University of HCMC, even in this text only a few terms were moderately covered, such as, Independence, Objectivity and Integrity, Confidentiality, Professional Competence and Due Care, Compliance with professional standards and the responsibilities of auditors, audit firms to clients and stakeholders.

Table 5. The extent of Professional ethic contents covered by textbooks

No.	Textbooks	
	Name of Textbooks	Professional ethics content
1	Principles of Accounting	Not mentioned
2	Financial Accounting	
3	Management Accounting	
4	Administrative Accounting	
5	Bank Accounting	



6	International Accounting	
7	Auditing	Independence, Objectivity and Integrity, Confidentiality, Professional Competence and Due Care, Compliance with professional standards
8	Internal Controls	Not mentioned
9	Accounting Information System	

Based on the interviews, the following table summarizes the opinions of some lecturers and students that related to teaching and learning professional ethics.

Table 6. Opinions of interviewees

No.	Lecturers		Students	
	Academic position	Opinions	Year	Opinions
1	Professor in Faculty	<ul style="list-style-type: none"> <li>- Important to accountants and auditors because the professional ethics helps all members operate faithfully and serve the common interests of the profession and society.</li> <li>- Only mentioned (too little) in Principles of Auditing. The content of ethics is inadequate because this content is just introduced slightly.</li> <li>- Separate course. And it could be integrated in Business Ethics and Organizational Culture, Principles of Auditing and Principles of Accounting courses.</li> </ul>	Year 3	<ul style="list-style-type: none"> <li>- Necessary, because any industries require employees being ethical.</li> <li>- Mentioned in principles of auditing. Reasonable</li> <li>- A part (chapters) in a few subjects, as Business Ethics and Organizational Culture course.</li> </ul>
2	Department heads	<ul style="list-style-type: none"> <li>- For general practitioners and accounting and auditing profession in particular, the development and fostering ethics is necessary.</li> <li>- Acceptable for students who study in accounting area.</li> <li>- Should be integrated in a number of specialized courses.</li> </ul>	Year 4	<ul style="list-style-type: none"> <li>- Very necessary, not only in working but also in life.</li> <li>- Just introduce as a part in Principles of Auditing course, includes Integrity, Objectivity, Confidentiality....</li> <li>- Should be taught in separated course.</li> </ul>

No.	Lecturers		Students	
	Academic position	Opinions	Year	Opinions
3	Senior lecturers	<ul style="list-style-type: none"> <li>- Very necessary. Graduates to understand and conduct regulations</li> <li>- Acceptable. Part ethics be taught integrated about 5 periods / 45 of principles of auditing is reasonable.</li> <li>- Professional ethics should be integrated as part of the course Principles of Accounting and Principles of Auditing</li> </ul>		

### Conclusions and recommendations

The results come from two research methods above are the same when they are used to conclude that it is very important for teaching and learning of Professional Ethics in Accounting at Banking University of HCMC. The results prove that professional ethics is currently covered in the accounting curriculum of Banking University of HCMC within two courses mentioned above. However, the contents of professional ethics, which are included in Principles of Auditing and Internal Controls courses, are mainly based on the principles of ethics code for auditors and accountants. Moreover, the professional ethics has been taught and learned as integration as a part of chapter into different accounting and auditing courses.

In order to enhance the integrity of persons who will work in the accounting practice as well as to avoid the ethical violations, this paper recommends two changes should be made by not only at Banking University of HCMC but also at most economic universities: (1) when designing the syllabus for accounting programmes by professors at Universities, the professional ethics needs to be designed and taught as a separate course. This goal is to help students recognize the important role of professional ethics to economy and the accounting profession reputation; (2) it is suggested that current curricula especially accounting and auditing, accounting professors should continue to emphasize ethical and moral issues into their respective programs. They should devote more time raising the awareness of ethics and ethical issues in their teaching by teaching the general understanding of ethical values that recommended by Dellaportas et al. (2005).

### Acknowledgement

The author would like to express the great gratitude to Professors, Head Departments, Senior Lecturers and Students at Banking University of HCMC who gave the opinions during the interviews for my research.

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