Ethics in Accounting

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1. **Why Ethics Matters in Accounting**
    - Accountants prepare information that investors, lenders, and the public rely on to make major financial decisions - dishonest accounting can cause serious harm.
2. **Core Ethical Principles**
    - Integrity, objectivity, professional competence, confidentiality, and professional behavior.
3. **Common Ethical Threats**
    - Self-interest (personal financial gain), familiarity (too close a relationship with a client), and intimidation (pressure from management to misstate figures).
4. **Famous Accounting Scandals**
    - Cases like Enron and WorldCom illustrate how accounting fraud can devastate investors, employees, and the broader economy.
5. **Professional Codes of Ethics**
    - Bodies like ICPAK (Institute of Certified Public Accountants of Kenya) and IFAC set ethical codes that qualified accountants must follow.
6. **Consequences of Unethical Behavior**
    - Loss of professional license, legal liability, reputational damage, and in serious cases, criminal prosecution.