

JEL Classification: M0, M41, M42

ETHICAL ASPECTS OF ACCOUNTING AND AUDITING

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Summary. The important social aspects of accounting and auditing ethics are grounded in the article. Authors investigate and prove actuality of social accounting existence. The system of accounting and auditing is analyzed as one of the elements of modern business social responsibility.

Key words: *accounting, auditing, economic relations, ethics, social responsibility, society.*

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Internal and external social factors of an enterprise, ethical norms, human-oriented economic activity, environmental protection – are very urgent issues for business entities thinking about future. To solve these problems is as important task as to get high financial rates. Social responsibility and business ethics can influence business effectiveness as well as financial indicators of economic growth, because main goal of any production was and remains a human being.

The purpose of the article is to identify socially significant and ethical elements of accounting and auditing. The urgency of the investigation is caused by the state of modern business social responsibility and by the fact that level of awareness of business activity consequences on human society and environment has increased.

Changes in the approach towards business targets led to the fact that profit and its increasing are not the only aim of business activity. Social goals became equivalent objective to achieve. These two activity directions are in a conflict that caused by lack of so-called perfect competition. To overcome this contradiction principles of market economy and social orientation should be united, that the main concept of social market economy. Accounting, while being properly organized, can reflect the social phenomena that are at social and economic relations

crossing. Accounting is one of those sciences, the result of which strongly depends on the human factors: life interests, aspirations, intellectual abilities and professional skills, values and cultural level.

There is practically no national experience of social accounting and social reporting. In the practice of Ukrainian enterprises and financial institutions social reports are still unusual phenomenon (the first social report was prepared by Credit Union «First Credit Society» in 2006), but globalization and integration processes lead to the necessity of their implementation. Social reporting publication set thinking about role of economic agents in social and economic life. Social reporting depends on the work of internal and external audit. Theorists in auditing define its essence as follows: it is the activity of providing necessary public services in order to confirm the apparent truthfulness of public financial reporting. The international association of practitioners in auditing asserts that it is an independent review of financial statements by specifically appointed auditor and expressing an opinion about them according to special norms.

To achieve the objectives of the audit profession professional auditors and accountants should follow some essential fundamental principles: honesty, objectivity, professional competence and carefulness, confidentiality, technical standards of professional behavior.

The authors of the article proved interdependence of social and economic conditions and accounting. Accounting is constantly changing according to the society demands (because it is one of the sciences, the

result of which strongly depends on human factors), but social changes also can be caused by accounting development. In the process of studying the evolution of accounting, it was proved that the problems of connection between accounting and various aspects of social enterprises had been actively discussed in Western (particularly American) literature in the 60-th of XX century. But it still remains urgent. There is practically no national experience of social accounting and social reporting, but globalization and integration processes lead to the necessity of its implementation.

Promising direction for further research is studying the meaning of the concept of «social accounting» and analyzing the suitability or inexpediency of its separation into the type of accounting.

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