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Personal code of business ethics

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use among our clients, but it also looks forward to the day when the entire information system will be put on the computer.

We are also continuing our extensive training programs in statistical sampling, applied not only to auditing but also to the whole accounting process.

The new technologies in electronic data processing, management sciences and Profitability Accounting are not only difficult to understand but even harder to explain. And it is on this technique of explaining or teaching—popularizing, if you will—that we are concentrating particularly hard right now.

Involved and complicated as they are, these new disciplines must be distilled down to their simplest elements and skilfully interpreted so that they can be communicated and understood by non-technical client management. We have excellent technical people who understand these new disciplines and today it must be part of their job to educate general service partners so that they in turn can inform the clients and make them enthusiastic about the rich new opportunities that are open to them. This is all part of the training program.

3. Lastly, if we are to grow, we must excel in research. We have already conducted much valuable research and it's highly important that this go on. We would stagnate without it.

In the meantime it is important to coordinate and implement the results of research already completed and to distribute it to the people in the field who need it. Many industrial firms, too, are recognizing the desirability of marketing the research they already have done. We must keep our research from getting locked up in the minds of the researchers.

We have already taken steps in this direction. In audit-

ing, for example, we have a forward-looking program which will result in all of our research being systematically documented and circulated to all offices. But beyond this, we are working toward a permanent system for all professional and scientific areas that will organize, preserve and apply research reports which might otherwise be filed and forgotten in places where no one would think of looking for them.

This, then, is the configuration of Touche, Ross, Bailey & Smart, and it is also in a large measure the "new look" which much of our profession is assuming in order to supply the guidance system for space-age business in a new and unfamiliar orbit. As auditors, we in our profession have traditionally been characterized as people who do nothing but check and double check, as routine performers who sit around all day making tick marks up and down a column of figures. Those days are gone forever. The auditor today must be more interested in internal control and the flow of data in management information systems than he is in the reconciliation of bank accounts and the aging of accounts receivable, necessary as these procedures may be.

Today the TRB&S man is first and foremost a business man. He must understand the entire business process, lest he fail to see the forest for the trees. He must see the real meaning of the figures and information which march before him if he is to give management answers it needs.

If we meet these specifications, we can be sure that we will always be a strong firm, one with a future for all of us. It will not be an easy thing, but we must forever be sure of keeping alive the talents necessary to provide our clients with *total service on an integrated basis*, and not only must we have such talents but we must let business know that we have them.

Robert K. Mautz is professor of accountancy at the University of Illinois. His essay won first place recently in a contest held to create a code that could be observed by business students as well as the individual businessman.

The contest was sponsored by the Alpha Kappa Psi Foundation, a non profit foundation established in 1951 by Alpha Kappa Psi Fraternity, a national professional business fraternity. Its purpose is to educate the public in economic principles and to conduct research in business and educational subjects.

A Personal Code of Business Ethics

I BELIEVE in American business.

I BELIEVE the American enterprise system offers the best opportunity for individual progress, the greatest incentive to personal development, and the strongest protection to democratic ideals of any economic system in the world today.

I BELIEVE in the private ownership of capital.

I BELIEVE that, under conditions of fair competition, the profit motive is the most effective force in stimulating innovation and efficiency in business operations.

I BELIEVE that a number of interests contribute directly to the success of the American enterprise system and that equity requires that increases in the productivity of the system be shared among these interests.

I BELIEVE that each individual who benefits from the American enterprise system has an obligation to work for its improvement, and that he likewise has an obligation to refrain from any action that would reduce or restrict the most effective operation of this system.

I RECOGNIZE that the frailties of man and the temptations to which he is subject may interfere with the most effective functioning of a system of free enterprise and that constraints directed at the selfish few are required for the protection of all.

I BELIEVE that high ideals and self control on the part of each individual constitute the most desirable form of constraint but accept the imposition of group controls where necessary.

Believing these things, I pledge myself:

To recognize the interest of all free men in a strong American economy;

To pursue vigorously, within the bounds of the law and moral propriety, a fair and reasonable profit for the enterprise with which I am affiliated;

To compete fairly and without recourse to conspiracy, intimidation, or other anti-social behavior;

To refrain from any action that reduces competition, innovation, freedom, or efficiency in the American business system;

To seek out, praise, and support those tendencies, activities, and individuals who defend and encourage competition, innovation, freedom, or efficiency;

To seek out, criticize, and oppose those tendencies, activities, and individuals who would reduce competition, innovation, freedom, or efficiency;

To apply high standards in my personal life in order to reflect credit on the business system I represent.

By ROBERT K. MAUTZ