

Research Article

Analysis of Ethical Dilemmas in the Public Accountant Profession

(Case Study at Public Accounting Firm Heru Satria Rukmana 2022-2024)

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Abstract: This study aims to analyze the ethical dilemmas faced by public accountants in the implementation of financial statement audits at the Public Accounting Firm Heru Satria Rukmana for the 2022-2024 period. This research uses a descriptive method with a qualitative approach through interviews with three parties, namely public accountants, clients, and audit managers. The results of the study show that public accountants in this office often experience ethical dilemmas in the form of pressure from clients to adjust audit results according to the interests of management. Despite this, the majority of accountants still adhere to the applicable professional code of ethics and auditing standards. Clients rated the auditor as having good integrity and independence, although some clients admitted to having tried to put pressure on the auditor. On the other hand, audit managers have an important role in handling dilemmatic situations and maintaining the implementation of the code of ethics in the office environment. Overall, Public Accounting Firm Heru Satria Rukmana has made efforts to implement professional ethical standards well, although challenges from external pressures are still the main obstacles that need to be anticipated. This research is expected to be a reference for the public accounting profession in facing ethical dilemmas and maintaining professionalism and integrity in the implementation of duties.

Keywords: Audit Manager; Code Of Conduct; Ethical Dilemmas; Financial Statements; Public Accountant

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1. Background

In the business world, accounting is essential to ensure the transparency and reliability of financial statements. Public accountants have an important responsibility in delivering unusual reports and upholding integrity in their practice (Sugianto & Amin, 2023). Therefore, ethics is an important component of the profession. Nevertheless, the evolution of the industry and the intricacies of business often present ethical challenges for public accountants. In the field of professionalism, accounting has an important function as a mechanism to ensure accuracy and transparency in financial documentation (Metra et al., 2025).

The public accounting sector has an important responsibility to deliver objective and outstanding reports while upholding integrity in all actions taken (Belinda & Costari, 2021).

As a result, ethics has become a basic element in this field. Nevertheless, as the industry evolves and the complexity of business increases, public accountants often face ethical dilemmas that can affect their professional choices. This dilemma usually arises from the tension between adhering to professional ethical standards and responding to external pressure from clients or other stakeholders (Stevens et al., 2024).

In many cases, public accountants face conflicts of interest, particularly when the choices made may benefit the client but conflict with the ethical standards of the profession or relevant laws. This situation presents a dilemma, which forces accountants to decide between upholding their professional integrity and meeting clients' expectations for more favorable outcomes (Wiyanto et al., 2025). As a result, understanding the ethical challenges in the field of public accounting is important, as it plays a crucial role in maintaining the reputation of the profession and increasing public confidence in the work of accountants. Professional organizations issue ethical guidelines to govern the conduct of their members as they engage in their professional duties to society (Sisworini et al., 2024).

In Indonesia, the ethical standards for accounting practice are known as the code of ethics, which is provided by the Indonesian Institute of Accountants, the governing body of accountants. The first code of ethics for the accounting profession in Indonesia was established during the IAI congress in 1973. The code was revised in the 1981 and 1986 congresses, followed by further amendments in the 1990, 1994, and 1998 congresses. The discussion around the code of ethics for the accounting profession is rooted in the Code of Ethics of the Indonesian Institute of Accountants which was ratified in the VIII Congress in 1998.

A relevant illustration of this ethical dilemma is clearly seen in practice at the Public Accounting Firm Heru Satria Rukmana, which is the focal point of this research study. This office provides audit and financial consulting services for various companies. Early observations reveal many instances where public accountants in these offices faced ethical dilemmas in their professional duties. For example, there are situations where accountants face pressure from clients demanding that financial statements be formatted for specific purposes, which could potentially conflict with generally accepted accounting principles or professional ethical standards.

Identifying the various factors influencing the ethical dilemmas faced by public accountants, along with their responses to these challenges, is important in this study. Furthermore, this study aims to explain how ethical issues can affect the quality of accountants' work and how the public accounting profession can uphold its integrity in the face of external pressures (Marlina et al., 2017). Using the case study method at the Public Accounting Firm Heru Satria Rukmana, this research is expected to provide valuable insights for the formulation of ethical policies in the accounting profession and improve understanding of the ethical barriers faced by professionals in the field.

It is important to recognize that although various guidelines and codes of conduct govern the accounting profession, the application of these principles in practice is often challenging. In addition, in Indonesia, where the business landscape and accounting practices are rapidly evolving, new challenges continue to arise. Thus, a deeper understanding of the ethical dilemmas faced in this field is needed, along with strategies for the profession to move forward while upholding strict ethical standards. This study seeks to investigate and evaluate

the ethical dilemmas that occurred at the Public Accounting Firm Heru Satria Rukmana during the period 2022-2024, as well as to offer practical recommendations to address this issue.

The significance of this research goes beyond accounting practitioners; it is also relevant to stakeholders involved in the supervision and regulation of the accounting profession, including regulatory bodies, professional associations, and clients. Given the increasingly complicated nature of the business environment, ethical dilemmas in the public accounting profession must be a focal point to maintain the integrity of this field. Analyzing ethical dilemmas at Public Accounting Firm Heru Satria Rukmana can shed light on ethical practices in the real world and propose more practical and workable solutions to ethical challenges often faced by public accountants. Based on the information above, I was interested in conducting research on the public accounting firm Heru Satria Rukmana with the title "Analysis of Ethical Dilemmas in the Public Accountant Profession (Case Study on Public Accounting Firms: Heru Satria Rukmana 2022-2024)"

2. Research Methods

In this study, the method used to analyze the data is a descriptive method with a qualitative approach. The descriptive method was chosen because it aims to provide a clear and in-depth picture of the phenomenon of ethical dilemmas that occur in the public accounting profession at the Public Accounting Firm Heru Satria Rukmana during the 2022-2024 period. This method is used to describe in detail the behavior, experience, and perspective of public accountants in dealing with ethical dilemmas that arise in their professional practice (Sugioyono, 2018).

Data obtained through interviews, observations, and documentation will be analyzed by identifying key themes related to ethical dilemmas, such as conflicts of interest, pressure from clients, and the application of codes of ethics in decision-making. Each data collected will be categorized into these themes, which are then analyzed to illustrate an overview of the ethical dilemmas faced by public accountants in the office (Moleong J Lexy, 2018).

The first step in data processing is the transcription of interview results which is then organized and grouped into thematic categories. Furthermore, observation data and documentation will be analyzed to strengthen understanding of ethical dilemmas that occur in the field. The results of this analysis are then described descriptively to provide a deeper understanding of the context and factors that influence ethical dilemmas in the public accounting profession. Data processing is the process of organizing, cleaning, and analyzing data to produce information that can be used in decision-making (Sekaran & Bougie, 2016).

3. Results and discussion

Public Accounting Firm Heru Satria Rukmana and Partners is an independent public accounting firm that was established in November 2017 and is located on Jl. Bojong Gede Green Garden No.5, Bogor Regency, West Java. The office provides audit, investigation, accounting, finance, management, planning, tax consulting, and education and training services. KAP Heru Satria Rukmana and Associates developed expertise in auditing, accounting, investigation, corporate governance, budget analysis, and business strategy, including tax consulting, business law, corporate law, and employment. Partners have analytical skills and economic understanding that are the basis for formulating organizational

strategies and meeting client needs.

KAP Heru Satria Rukmana and Associates have competent professionals, engaged in audit, accounting, government accounting, taxation, and management consulting services. In providing this service, KAP Heru Satria Rukmana & Rekan will always strive to provide good service with high standards and professionalism supported by committed, independent, and integrity professionals. KAP Heru Satria Rukmana and Partners are listed in the table below:

Table 1. *Copyright* © 2019 Copyright © 2019 Copyright © 2019 Copyright ©.

License	Registered Number
Business license from a public accounting firm of the Department	NEW. KAP.37/KM.1/2018 latest KMK
License to practice public accountant from the Ministry of Finance	AP. 1520 (Managing Partner), AP. 1751 (Partner)
KAP Taxpayer Identification Number Heru Satria Rukmana & Partners	83.643.749.1-403.000
Taxable Entrepreneur Confirmation Letter Number (PKP)	S-755PKP/WPJ.33/KP.0703/2021
Certificate of membership of the Indonesian Institute of Public Accountants and the International Federation of Accountants (IFAC)	IAPI No.3360 (Managing Partner), IAPI No. 4694 (Partner)
Certificate of membership of the Indonesian Institute of Accountants	IAI No.11.D25333
Registered Public Accounting Firm at the Audit Board of the Republic of Indonesia (BPK)	Number: 336/STT/X/2018 latest Number: 432/STT/XI/2021
Registered with the Financial Services Authority: Capital Market Sector for AP	Number: STTD. AP-005/PM.223/2019
Capital Market Sector for KAP	Number:STTD. CAP-04/PM.223/2022
Banking Sector	Number:STTD. AP-18/PB.122/2019
Sharia Banking Sector	Number:STTD. APS-21/PB.122/2022
IKNB	Number: STTD. AP-07/NB.122/2019
Registered with the Ministry of Cooperatives of the Republic of Indonesia	
Registered as a Partner of PT Bank Syari'ah Indonesia	Number: 05/172-3/PPG

Source: KAP Heru Satria Rukmana (2025).

Analysis of the Public Accountant Profession

Analysis of the application of the accountant's code of ethics in handling several cases of professional ethical dilemmas shows that the code of ethics plays a role as the main guideline in maintaining the integrity and professionalism of accountants (Asan et al., 2025). The application of the accountant's code of ethics in dealing with violations of professional ethics must involve a deep understanding of the basic principles of the code of ethics, namely integrity, objectivity, competence, confidentiality, and professional conduct. Integrity requires accountants to always be honest and transparent in carrying out their duties, while objectivity requires accountants to avoid conflicts of interest that can affect their professional decisions.

Professional competence and prudence demand that accountants continually develop their abilities and perform their work meticulously. Confidentiality requires maintaining client information, and professional conduct demands compliance with the law and maintaining the reputation of the profession. However, the implementation of the code of ethics in practice does not always go smoothly. The challenges faced by accountants in maintaining professional ethics include pressure from company management, conflicts of interest, and lack of effective supervision. In some cases, accountants are forced to make ethical compromises in order to meet client or management requests, ultimately undermining public trust. Therefore, strengthening supervision by regulatory institutions such as the Financial Services Authority (OJK) and the Indonesian Institute of Accountants (IAI) is urgently needed to ensure that the code of ethics is carried out consistently and professionally.

In addition to supervision, ongoing ethics education and training are also important factors in increasing accountants' awareness and compliance with the code of ethics. This training not only equips accountants with theoretical understanding, but also practical skills in dealing with complex ethical dilemmas. Thus, accountants can be better prepared to make decisions in accordance with ethical standards and professionalism, while avoiding violations that can harm various parties. Overall, this study emphasizes that the code of ethics of accountants is not just a formal rule, but the main foundation in carrying out a profession with integrity and responsibility.

Facing Ethical Dilemmas in the Public Accountant Profession

Accounting ethics includes a set of principles that guide every professional activity. These principles include integrity, objectivity, professional competence, confidentiality, and behavior in accordance with professional standards. Competencies needed in the digital era include technical skills, analytical capacity, professional ethics, and understanding of technology. Ethics serve as a moral foundation that guides accountants when facing various dilemmas in practice (Irama et al., 2025).

Auditors adhere to applicable audit standards and maintain objectivity and independence in providing opinions. This attitude sometimes creates tension with clients, but professional integrity remains a top priority. Ethical dilemmas arise not only during the implementation of the audit, but also at the planning stage and initial discussions with management. Some cases indicate that there are early indications that the client's financial statements have the potential to present misleading information or are not fully in accordance with applicable accounting provisions.

These conditions require public accountants to be more careful in identifying areas that have a risk of material *misstatements* and consider additional audit measures that are necessary. This is done as a form of effort to maintain the quality of audit results and comply with the principles of *professionalism*. On the other hand, one of the public accountants who was the respondent also said that pressure from the internal part of the public accounting firm could be an additional factor in facing ethical dilemmas.

Ethical dilemmas in accounting and auditing arise when auditors face the challenge of presenting correct and reasonable financial statements, while there is pressure to safeguard management's interests. This situation is also related to agency issues between management and stakeholders as well as between accountants and interested parties. Internal pressures, certain interests, and management ambitions have the potential to drive manipulation of financial statements. Auditors are in a difficult position because they have to maintain a long-term working relationship with management, but at the same time are still required to carry out supervisory duties carefully and professionally (Widyari et al., 2024).

The Role of Clients' Financial Incentives in Maintaining Independence

Most public accountants have faced pressure from clients, either directly or indirectly. The pressure is generally in the form of requests for audit reports to be prepared according to the interests of management. Fitriasari and Arifah (2019) explained that offers of bonuses or financial compensation from clients often trigger ethical dilemmas in the audit process so that the role of the audit leader is needed to maintain auditor independence. Pressure can also arise in the form of threats not to renew contracts or promises of certain bonuses if the auditor is willing to reduce the findings.

Public accountants face client pressure with a variety of approaches, but still adhere to the principles of maintaining independence and integrity. The auditor provides a persuasive explanation of the provisions of the regulations and professional code of ethics that must be complied with, then coordinates with the supervisor or audit manager when necessary (Romney, 2022). Pressure from clients is not always conveyed directly, but often comes through gestures or attitudes that indicate a certain desire, such as an expectation that financial statements will look better in the eyes of shareholders or external parties. This situation is a challenge because the auditor must be able to understand the conditions without compromising professionalism. Communication skills and assertiveness are important aspects for auditors in dealing with ethical dilemmas.

One of the factors that affect the quality of audits is independence which is listed in the provisions of the Public Accountant Professional Standards (SPAP) section 220 and is defined as an attitude that is not easily influenced. Independence is an important issue because various studies show that the position of auditors is often questioned due to the large number of cases involving the profession. This condition can occur because of the close relationship that has been established for too long between the auditor and the client, which has the potential to reduce objectivity and independence in the assessment. Efforts to maintain independence can be done through the implementation of auditor rotation. Auditor rotation is a replacement of auditors that must be implemented by companies to improve the quality of audits and ensure independence is maintained (Rosita et al., 2022).

In addition, public accountants also emphasized the importance of support from the work environment and leadership at the Public Accounting Firm in dealing with pressure from

clients. With good communication between audit team members and openness to convey problems faced in the field, auditors feel more helped in determining the right steps (Fadilah & Purnamasari, 2022). One of the respondents even mentioned that internal team discussions are often a means to find joint solutions in difficult situations, while ensuring that the decisions taken remain in accordance with the applicable standards of the public accountant profession. Thus, the independence and integrity of auditors can be maintained despite facing various forms of pressure from external parties.

Some public accountants assert that complete and transparent documentation of every audit decision is an important strategy to maintain independence. Documenting professional considerations, communication with clients, and final decisions provides a solid basis if the results of the audit are questioned in the future. This step is considered effective in reducing potential conflicts and strengthening the position of auditors in maintaining professional ethics. Public accountants are considered not only to require adequate technical skills, but also the courage to be firm and consistent in upholding integrity, even in stressful situations.

4. Conclusion

Based on the results of the analysis and discussion, the author can conclude this research according to the following research objectives: Public accountants at the Public Accounting Firm Heru Satria Rukmana for the 2022–2024 period often face ethical dilemmas, especially when under pressure from clients to adjust reports or cover up findings. The majority of accountants remain compliant with audit standards and codes of ethics by providing risk explanations to clients and conducting internal coordination. The application of auditor rotation in each assignment is an effective strategy to reduce dependence on specific clients and maintain auditor objectivity and independence.

Public Accounting Firm client Heru Satria Rukmana assessed that auditors have good integrity and independence. Differences of opinion and pressure efforts from some clients can be faced by auditors with a professional attitude. Clients still appreciate the auditor's performance, despite suggestions for improving ethical training for junior auditors. This assessment shows that professional ethical standards have been implemented quite well, although pressure from large clients is still a challenge to be aware of. Preventive efforts in the form of ethics training, integrity culture enforcement, independence statements, and tiered supervision are considered effective in maintaining auditor professionalism.

Audit managers play a central role in handling ethical dilemmas and maintaining the office's ethical standards by assisting auditors, overseeing the audit process, and ensuring compliance with policies such as code of ethics briefings, letters of independence, auditor rotation, and tiered quality reviews. Their role also includes liaison between auditors and partners so that ethical decisions are not made unilaterally. In practice, audit managers give directions, follow team discussions, and ensure every decision considers ethical aspects and the public interest. The implementation of the whistleblowing system and the evaluation of ethical compliance show the office's commitment to maintaining professionalism. The results of the study still found external pressures that have the potential to interfere with independence, so strengthening internal control and auditor ethical awareness needs to be improved so that audit quality and public trust are maintained.

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