

## LITERATURE REVIEW OF ACCOUNTANT PROFESSIONAL ETHICS IN GOVERNMENT

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### Abstract

Violations of the code of ethics still occur frequently in Indonesia, one of the factors causing this is unethical behavior. This study aims to explain the definition of taxation, how the responsibilities of tax accountants, and accountant ethics in taxation. This research uses the literature review method by reviewing several journals on the same topic. The results of this study reveal that the role of professional ethics is very important to limit the unethical behavior committed by each individual in committing irregularities and fraudulent behavior by accountants. The research limitations of several journals that fit the needs are very inadequate. The contribution of this research is expected to affect the likelihood that a person will act ethically aims to help educate the public about unethical accounting practices.

**Keywords:** Professional Ethics, Tax Code of Ethics, Tax Accountant

### INTRODUCTION

Ethics is a noble value that must be owned by every individual. Speaking of ethics, any form of it must be related to value. Ethics is invisible, but has a tremendous influence in all aspects of life (Soekrisno, et al., 2011). When ethics is related to taxation, there will be many parties involved in it. It can even be said that all parties are in it. Business and professional ethics are creative and innovative abilities that are used as the basis, tips, and resources for finding opportunities for success (Lestari and Deak, 2023).

The creative and innovative process usually begins with the emergence of ideas and thoughts to create something different. The specific purpose of any professional organization is to develop the competence of its members on an ongoing basis as well as to control the behavior of its members based on a mutually agreed code of ethics. These professional organizations do not discriminate between the status of their members, whether from the private or public sector.

A professional code of ethics in any field is part of professional ethics. The professional code of ethics is a continuation of the more general norms that have been discussed and formulated in professional ethics. This code of ethics further clarifies, emphasizes and details the norms to a more perfect form even though these norms are already implied in professional ethics (Suryani et al., 2023).

Subjectively, all citizens are taxpayers. Thus, this means that tax ethics must be owned, understood and practiced by every individual. Tax accountants have several responsibilities to the public, through the government (Restiana, 2024). The responsibility of a tax accountant is not for a falsehood in a tax obligation, and as an attestor, a tax obligation is a statement/declaration of the sanction of fraud, and the information from the results of presenting financial statements is correct, and complete.

Statements on Standards for Tax Services are general ethical considerations underlying the standards created by the Tax Executive Committee of the AICPA in a pamphlet entitled (Ardilla and Prasetyo, 2021). This statement, called the SSTS, and its interpretations replaced the SRTP and its interpretations as of October 1, 2000. Of particular interest is the opening sentence: "Standards of practice are the hallmark of being called a professional. Members must fulfill their professional responsibilities by endorsing and maintaining standards by which their professional performance can be measured" (Efferi, 2023). In such cases, the best indication of the ethical standards that tax accountants can meet can be found in these standards.

Wiwik Nazipah Putri's research (2024) entitled "The Effect of Organizational Commitment, Professionalism, and Ethical Behavior on Auditor Performance at the Public Accounting Firm in Sumatra Region" explains the results of the study indicate that organizational commitment has no significant effect on auditor performance. Meanwhile, professionalism and ethical behavior have a significant positive effect on auditor performance. The results of this study are supported by Arief and Widyaningsih's research entitled "Can the Application of Professional Ethics Limit Accountants' Unethical Behavior?". The results showed that the role of professional ethics is very important to limit the unethical behavior carried out by each individual in committing irregularities and fraudulent behavior by accountants. Rosyida's research (2014) entitled "Ethical and Unethical Behavior by Accountants in an Organization". The results showed that ethical and unethical behavior by accountants had an effect on accountant performance, but this also did not have a very large impact because the culture in the organization had a greater influence. . If the organizational culture is good, accountant performance can also be improved. Ethical behavior challenges must be met by organizations if they really care about survival and competitiveness.

The background above explains the ethics of an accountant and the author wants to conduct research on accounting ethics in government entitled "Professional Ethics of Accountants in Government". The purpose of this study is to understand the meaning of taxation, how the responsibilities of tax accountants, and the ethics of accountants in taxation.

## **RESEARCH METHODS**

The study used research in the type of literature review, which conducted an assessment of accounting ethics in government. Nughraheni (2020) revealed that the literature review approach is a description of theories, findings, and previous research materials as reference materials with the aim of serving as a reference in formulating the formulation of the problem to be studied. It can be concluded that literature review is to evaluate scientific articles to see the quality and new findings of scientific articles. The following research uses secondary data sources. Secondary data is obtained from the availability of data obtained from books and previous research such as articles published in journals.

## RESULTS AND DISCUSSION

Some of the articles and developments in the last 5 years that discuss the need for professional ethics for government accountants are presented in the following table:

No.	Author Name	Title	Research Results
01	Fitriyanti & Dewi Suprihandari, (2022)	Ethical Analysis of accountant professional ethics in international standards	The results showed that IFAC was very successful in its efforts to harmonize the ethical standards of professional accountants around the world. The hypothesis that accounting organizations in low-income countries are less likely to adopt the IFAC CODE was not supported. One reason why this hypothesis was not supported is that accounting organizations in low-income countries may not have the necessary resources to develop an effective code of ethics on their own. Therefore, it would be more cost-effective if these organizations simply adopted the IFAC code model.
02	Prayudi (2017)	Gender, The Application of the Accountant's Professional Code of Ethics and the Quality of Local Revenue and Expenditure Budget Preparation	1. Ethical principles can prevent unethical behavior in an organization, professional codes of conduct also serve as a means for ethical principles to prevent unethical behavior in an organization. 2. It is recognized that the application of ethics in bureaucracy can improve the performance of local governments in Indonesia, and one of the indicators is optimal budget absorption.
03	(Dwijendra & Asyik (2023)	The Influence of the Code of Ethics of the Public Accountant Profession on the Quality of Audits Produced by Auditors at Hoods Registered in East Jakarta.	Independence here is an attitude that is not easily influenced, does not take sides with any party, is free from other interests, and most importantly, does not look at business leaders, orientations, and subordinates, does not interfere with the interests of customers or service recipients.
04	Witta Widiya1, Efrizal Syofyan (2020)	The Effect of Competence, Independence, and Auditor Ethics on the Audit Quality of Inspectorate Apparatus (Empirical Study at the Inspectorate Office of West Sumatra Province)	The study concluded that auditor ethics can affect audit quality to achieve good audit quality, it is important for someone to apply ethics properly. The application of ethics in conducting audits can improve work quality standards, resulting in higher quality audit results.
05	Rinaldy, S., Amin, A., & Shalsabila, A. (2020)	Ethical Principles of Professional Accountants: Student Perception	The results of this study prove that there are no differences in the perceptions of male and female students regarding the ethical principles of the accounting profession. Because students and students follow the same learning process, they have the same understanding.

According to Prof. Dr. Rochmat Soemitro, SH, taxes are mandatory contributions of the people to the state treasury based on laws (which can be imposed) by not getting reciprocal services (contrapretation) which can be directly shown and which are used to pay for public expenditures. From this definition, it can be concluded that taxes have elements:

1. Dues from the people to the State The only one who has the right to collect taxes is the State. The contribution is in the form of money (not goods).
2. Based on the law Taxes are collected based on or by force of law and its implementing rules.
3. Without reciprocal services or contraprestasi from the State that can be directly appointed. In the payment of taxes can not be shown the existence of individual contraprestasi by the government.
4. Used to finance the State's household, namely expenditures that benefit the wider community.

### **Tax Accountant Responsibilities**

Saraswati (2019) revealed that tax accounting is a field of accounting that calculates, handles, records, even analyzes and makes tax strategies in connection with economic events (transactions) that occur in an organization. Its role in the organization is significant, namely making tax planning and strategy, providing analysis and predictions regarding the company's tax potential in the future, applying accounting treatment for tax events, starting from assessment/calculation, recording/recognition of taxes, and presentation in the company's commercial and fiscal reports, and being able to do better tax filing and documentation, as material for inspection and evaluation.

Tax accountants have several responsibilities to the public, through the government. The responsibility of a tax accountant is not for a falsehood in a tax obligation. A tax liability is a statement or declaration of the sanction of fraud related to taxation, and the information from the presentation of financial statements is true, and complete. The main responsibility of tax practitioners is the tax system. A good and strong tax system must consist of tax administration entities, congress, administration and the practitioner community. In addition, tax practitioners must also have the ability, loyalty and client confidentiality, this is also referred to as the practitioner's responsibility for a good tax system. Tax practitioners assist in administering tax law honestly and fairly in service and developing client confidence in the integrity and compliance with the tax system.

Ethics of Accountants in Taxation Statements on Standards for Tax Services are the general ethical considerations underlying the standards created by the Tax Executive Committee of the AICPA whose interpretations replaced the SRTP and its interpretations as of October 1, 2000. Of particular interest is the opening sentence: "Standards of practice are the scope of the professional designation. Members must fulfill their responsibilities as professionals by supporting and maintaining standards by which their professional performance can be measured". In relation to the ethics of tax accountants, the AICPA issued the Statemet on Responsibilities in Tax Practice (SRTP). Gardner et al (2000) contains the contents of the Statemet on Responsibilities in Tax Practice (SRTP), namely:

1. Statement on Responsibilities in Tax Services No. 1, Tax Return Positions

This statement sets out a workable future standard for members when recommending the rate of tax return and preparing or signing tax returns (including claims for overpayment) deposited with taxing authorities. For the purposes of this standard, an amount of tax payable either (a) reflects the rate of return such that the taxpayer has discussed it in detail with the member or (b) a member has knowledge of all material facts and, on the basis of those facts, has concluded that its position is appropriate. For the purposes of this standard, a taxpayer is a client, employer or other third-party recipient of tax services.

2. Statement on Responsibilities in Tax Services No. 2, Answers to Questions on Returns

This statement sets out a workable standard for members when signing a tax return if or questioning the allowability of a tax return. The term questions includes requesting information for tax returns within the company. The instruction, or in the rules, yes or no is stated in the format of a question. Statement: A member should make a reasonable effort to obtain from the taxpayer the information necessary to provide answers to all questions on a tax return before it is signed.

3. Statement on Responsibilities in Tax Services No. 3, Certain Procedural Aspects of Preparing Returns

In preparing or signing a tax return, a member may honestly rely, without verification, on information provided by the taxpayer or by third parties. However, a member should not be ignorant of the implications of supplementing such information and should make appropriate enquiries if the information appears to be erroneous, imperfect, or ambiguous either on its face or on other grounds of fact unknown to a member. If the tax law or regulations impose a condition with respect, such as the maintenance of books and records or strengthening the taxpayer's documentation to support deductions reported to the tax office, a member needs to make appropriate enquiries to determine the conditions encountered to the satisfaction of the taxpayer.

4. Statement on Responsibilities in Tax Services No. 4, Use of Estimates

Except where prohibited by law or by regulation, a member may use taxpayer's to estimate the preparation of a tax return if it is not practicable to obtain precise data and if the member determines that a reasonable estimate is based on the circumstances and facts then available to the member. If estimates with taxpayer's are used, they must be presented in a manner that does not imply greater precision than is available.

5. Statement on Responsibilities in Tax Services No. 5, Departure From a Position Previously Concluded in an Administrative Proceeding or Court Decision

Tax Returns with respect to positioning an item when determined in an administrative proceeding or court decision do not restrict a member from recommending a different tax return, then repositioning it, unless the taxpayer is under audit. Therefore, when prepared in the form of Statement on Responsibilities in Tax Services No.1, a tax return is positioned, a member may recommend a tax return to position or prepare a tax return that requires examination of an item when it is concluded for an administrative proceeding or judicial decision with respect to a taxpayer's return.

6. Statement on Responsibilities in Tax Services No. 6, Knowledge of Error: Return Preparation

A member needs to inform a taxpayer promptly of an error in a tax return filed or when aware of a taxpayer's failure to file a required return. A member needs to recommend the measure taken to make the correction, such as an oral recommendation. The member is not required to inform the taxing authority, and a member may not do so without the taxpayer's permission, except when required by law. If a member is asked for a return for the current year and the taxpayer has not taken appropriate action to correct a major error in a return year, the member needs to consider whether to withdraw from preparing that return and whether a professional continues the relationship or employment relationship with that taxpayer. If the member prepares, such a return this year, the member needs to take reasonable steps to ensure that the error is not repeated.

7. Statement on Responsibilities in Tax Services No. 7, Knowledge of Error: Administrative Proceedings (Knowledge of Error: Administrative Proceedings)

If a member is representing a taxpayer in its administration for a return that contains an error, the member needs to inform the taxpayer. The member needs to recommend the measure to be taken to correct it, which may be given verbally. A member is neither obliged to inform the taxing authority nor permitted to do so without the tax payer's consent, unless that is required by law. A member needs to seek the tax payer's consent to disclose the error to the tax authority.

8. Statement on Responsibilities in Tax Services No. 8, Form and Content of Advice to Taxpayers (Format and content of advice to clients)

A member is not required to follow a standard form or instructions in communicating orally or in writing in giving instructions to a taxpayer. A member should assume that the tax instructions presented to a taxpayer will affect the manner in which various matters or transactions will be considered. Therefore, for all tax instructions given to a taxpayer, a member needs to follow the standardized rules in Statement on Responsibilities in Tax Services No. 1. Accountants and accounting firms need to recognize their responsibility to the public at large. Accountants and their firms need to be firm, because of their professionalism, to follow the ethical path. Frequently used aids are personal moral values and standards plus a culture within the company that prohibits the violation of ethical values in achieving organizational goals. A strong management philosophy that reinforces ethical actions and clear communication of ethical behavior. In this situation, even when causing client harm, the accountant will still do what is right.

The threat of losing a license due to unethical conduct is a factor, but it is not the primary factor. Frequent ethical challenges include:

1. The complexity and changing nature of tax law
2. Limited time for practice
3. Knowledge of complex tax law
4. Pressure from clients to reduce tax liabilities
5. Lack of client understanding of professional responsibility and potential penalties
6. From accountants for both tax practitioners and taxpayers.

### **Code of Ethics for Tax Consultants**

Tax Consultant is any person who with his expertise and in his work environment, freely and professionally provides tax services to taxpayers in exercising their rights and fulfilling their tax obligations in accordance with tax laws and regulations. IKPI Code of Ethics is a moral rule that guides every IKPI member in thinking, behaving and acting. Every IKPI member is obliged to maintain the image of professional dignity by always adhering to the IKPI Code of Ethics. The IKPI Code of Ethics also regulates sanctions for non-fulfillment of obligations or violation of prohibitions by IKPI members.

### **Code of Ethics for Tax Consultants – Personality**

1. Indonesian Tax Consultants must be loyal and obey Pancasila and the 1945 Constitution.
2. Comply with tax laws and regulations, and uphold the integrity, dignity and honor of the Tax Consultant profession.
3. Perform professional duties with full responsibility, high dedication and independence.
4. Maintain confidentiality in carrying out the profession.
5. Indonesian Tax Consultants are prohibited:
6. Engaging in other professional activities that are tied to employment as a public servant,
7. except in the field of research, study and education.
8. Lending a practice license for use by another party.
9. Assigning employees or other parties who do not have tax knowledge.
10. to act, advise and handle tax affairs.

### **Code of Ethics for Tax Consultants - Professional Friends**

Indonesian Tax Consultants are prohibited:

1. Attracting customers who are known or reasonably known to be such customers
2. is a customer of another Tax Consultant.
3. Persuading employees from other Tax Consultants to transfer to his employ.
4. Accept transferring customers from another Tax Consultant without notifying the other Tax Consultant, and must clearly and legally confirm that the customer has revoked his/her power of attorney from the other Tax Consultant.

### **Code of Ethics for Tax Consultants - Taxpayers**

Indonesian Tax Consultant required:

1. Uphold integrity, dignity and honor by maintaining public trust; be honest and straightforward without compromising the secrets of service recipients; be able to accept unintentional mistakes and honest differences of opinion, but must not accept fraud or compromise principles; be able to see what is right, fair and follow the principles of objectivity and caution.
2. Be professional: always use moral judgment in the provision of services performed; always act within the framework of service and respect the trust of the public and government; carry out their obligations with full care, and have an obligation to maintain knowledge and skills.
3. Maintain confidentiality in relationships with taxpayers: Shall respect and maintain the confidentiality of information obtained in the course of performing services, and not use or disclose such information without consent, unless there is a legal or statutory professional right or obligation or a court order to disclose it. Members have an obligation to ensure that staff or employees as well as other parties under their supervision and other parties to whom they seek advice and assistance continue to respect and maintain the principle of confidentiality.

Indonesian Tax Consultants are prohibited:

1. Providing instructions or information that may mislead the Taxpayer regarding the work being performed.
2. Provide assurance to taxpayers that work related to tax agencies can definitely be completed.
3. Establish conditions that limit the freedom of Taxpayers to move or choose another Tax Consultant.
4. Accepting any invitation from any party to perform actions that are known or reasonably known to violate tax laws and regulations.

## CONCLUSIONS

Every profession that provides services to the community must have a code of ethics that regulates professional ethics. In carrying out any profession, it is very necessary to adhere to the ethics and principles that have been regulated in each profession so that the main tasks and functions of the profession itself can be carried out in accordance with applicable regulations and so that all parties related to the profession itself, both the community and service providers, are not harmed as a result of the disobedience of service providers to their own professional code of ethics. The profession as a tax practitioner who directly serves the public in the field of taxation has the responsibility to run a good and strong tax system consisting of tax administration entities, congress, administration and the practitioner community. In addition, tax practitioners also have the responsibility to serve the public with loyalty and maintain the confidentiality of their clients, and not present false information to the government. The ethics of tax accountants according to the AICPA are regulated in the Statemet on Responsibilities in Tax Practice (SRTP).

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