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Institutions, Concepts, and Practices: Professional Ethics Development in Accounting from the Perspective of Integrity Culture

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Abstract: Integrity is not only a traditional virtue of the Chinese nation but also the cornerstone of the operation of the market economy. However, dishonest practices such as financial fraud still occur from time to time, which seriously erodes the foundation of market credit. Accountants and financial professionals are deeply involved in economic activities and are responsible for ensuring the quality of information. Their professional ethics directly affect whether the economic information is true and reliable, and it is related to whether the market economy can operate healthily. Moreover, new technologies such as artificial intelligence and big data are profoundly changing the operation mode of the social economy and the form of financial accounting work. Therefore, it is extremely urgent to further strengthen the construction of professional ethics in the accounting industry. This article systematically discusses the significance and implementation paths of strengthening the construction of accounting professional ethics within the context of integrity culture, in response to the current frequent occurrence of financial fraud incidents and the ethical challenges brought by new technologies. The article holds that integrity culture constitutes the foundation and value core of accounting professional ethics, and the two promote each other and grow together. The key to strengthening accounting professional ethics lies in achieving the organic unity of institutional constraints, concept guidance, and behavioral norms, thereby enhancing the public trust of enterprises and the image of the accounting industry, promoting the professional growth of accounting personnel, and consolidating the credit foundation of the market economy.

Keywords: Ethical culture; Professional ethics; Accounting information quality; Financial fraud; Accounting law

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1. Introduction

In recent years, a series of major financial fraud cases such as those involving Kangmei Pharmaceutical, Kangdexin, and Evergrande Real Estate have been exposed one after another. The authenticity and reliability of financial information have drawn great attention from all sectors of society. According to the data released by the China Securities Regulatory Commission, in 2025, the commission investigated and dealt with 97 cases of financial fraud, imposing penalties on 65 listed companies and 392 responsible individuals, with a total fine amounting to 3 billion yuan. Additionally, 16 companies were forced to delist due to serious fraud. These figures indicate that financial fraud remains a prominent issue undermining market order, and it is necessary to deeply reflect on this and take effective measures. The pursuit of interests and subjective instructions by business owners and management are indeed the root cause of financial fraud. However, from a micro-operation perspective, accounting professionals directly undertake the task of preparing accounting information, and they often become the actual operators of the fraud. Therefore, strengthening the construction of accounting professional ethics and enhancing the professional ethics, legal awareness, and responsibility of practitioners are of very practical significance in preventing and suppressing financial fraud. At the same time, with the rapid progress of new technologies such as digital economy and artificial intelligence, new changes such as the inclusion of data assets in the balance sheet and the transformation of intelligent finance have raised higher standards for the professional judgment and moral cultivation of accounting personnel [10]. Honesty is the fundamental basis for accounting professionals to survive and thrive. The report of the 20th National Congress of the Communist Party of China clearly requires “promoting the culture of honesty and establishing a long-term mechanism for building honesty,” which has pointed out the direction for the construction of accounting professional ethics in the new era. Under this background, how to deeply integrate the culture of honesty into the construction of accounting professional ethics, effectively control financial fraud, and improve the quality of financial information has become an urgent topic that needs to be studied.

2. Realistic foundation and internal logic

2.1. The core essence of the culture of integrity

The history of the culture of integrity is extremely long. Ancient people have said, “If a person lacks integrity, one cannot be considered a true person” and “One should keep one’s word and fulfill one’s promises.” Today, the socialist core values also place integrity in an important position. All these reflect the core position of integrity in our traditional culture [3]. The culture of integrity is a cultural system that regards integrity as a core value concept. It is not an abstract moral slogan, but a systematic cultural form that integrates ideas, behaviors, and systems [7]. It covers all aspects of economy, society, and life, including integrity virtues at the individual level, integrity norms at the social level, and integrity guarantees at the institutional level [8].

2.2. The intrinsic relationship between integrity culture and the construction of accounting professional ethics

For the accounting industry, the culture of integrity provides profound spiritual support and value guidance for the construction of professional ethics. The “Accounting Personnel Professional Ethics Norms” list “adhering to integrity and abiding by the law and public service” as the first item, which directly corresponds to the core values contained in the culture of integrity and also indicates that the country attaches great importance to using the culture of integrity to drive the construction of professional ethics in the accounting field [9]. Analyzing the internal logic of these three norms, the requirements are progressive: “Adhering to integrity and abiding by the law and public service” is the requirement for the self-discipline of accounting personnel, “Adhering to standards, fulfilling responsibilities and being dedicated” is the requirement for the performance of duties by accounting personnel, “Adhering to learning, maintaining correctness and innovation” is the requirement for the development of accounting personnel, and integrity and self-discipline are ranked first, which constitutes the moral premise for subsequent performance of duties and development, that is, if the spiritual cultivation and bottom-line protection of the culture of integrity are absent, the professional ability of accounting personnel will hardly truly serve the fairness and justice of economic operation. By establishing integrity as the foundation and law as the priority, and closely integrating self-discipline and abiding by the law, it is possible to truly enhance the accounting personnel's understanding of the legal system at the operational level [6].

3. The significance of strengthening the construction of accounting professional ethics

3.1. Strengthening the foundation of market economy credit

In the market economy system, all relevant parties such as enterprise managers, investors, creditors, and government departments need to make decisions, evaluate, supervise, and communicate based on accounting information as the core basis. Accountants must objectively and impartially fulfill their duties, accurately record the financial status, operating results, and cash flow of the enterprise, ensure that the disclosed financial statements are true and usable, and thereby provide accurate decision-making information for all relevant parties. This helps investors correctly assess the risks and profit prospects of the enterprise and make reasonable investment decisions [4]. On the contrary, false or incorrect financial information can mislead investors, causing them to put resources in the wrong places, hurt their own interests, and even shake investor confidence in the capital market, triggering a chain reaction and systemic financial risks [2].

3.2. Enhancing the credibility and image of the enterprise in the industry

For a company to gain a firm foothold in the market competition, it is indispensable to have a good image and reputation, which are important intangible assets. And true and accurate financial information is the core foundation for establishing a trustworthy image. Enhancing the transparency of a company's finances and strengthening the trust of investors, creditors, suppliers, and the public in the company can help establish a professional image in the industry and public trust, and enhance the recognition and respect of the accounting profession by the entire society. Conversely, once a major incident of professional ethics violation occurs, the involved enterprise will not only face a severe trust crisis, with a sharp decline in stock prices, difficulties in financing, and loss of customers, but also will spread the negative spillover effects to the entire accounting industry. For instance, if an enterprise is exposed for financial fraud, its reputation will collapse rapidly, and it also triggers widespread doubts in society about the auditing quality of accounting firms and the professional ethics of accounting personnel. Such negative impacts extend far beyond the scope of the enterprise itself.

3.3. Promoting the professional growth and value realization of accounting personnel

Numerous cases of financial fraud reveal that some accounting professionals, due to a lack of professional ethics, have engaged in illegal and unethical practices. This not only damages the industry's reputation but also ruins their personal careers. Therefore, adhering to professional ethics is the fundamental prerequisite for accounting professionals to achieve long-term career development. For accounting professionals, professional ethics is not an optional bonus beyond technical skills, but rather the foundation upon which their careers depend. It directly determines the height and stability of the upper structure, and thus also determines an individual's future career path. Accounting personnel need to enhance their sense of professional responsibility and historical mission. They should adhere to the behavioral bottom line when striving for excellence, thereby making their personal career ideals and life values truly come to fruition. Conversely, if accounting personnel no longer adhere to professional ethics, then the "foundation" for their career development will become extremely fragile [9].

4. Systematic paths to strengthening professional ethics construction of financial and accounting personnel

4.1. Deepening the publicity and education of integrity culture, and building a mental defense line

To incorporate integrity education throughout the entire process of accounting talent cultivation, at the higher education level, accounting majors in universities should incorporate integrity culture and professional ethics education into the core modules of the talent training plan, and integrate these elements throughout the undergraduate and postgraduate education. In terms of course arrangement, specialized courses such as "Accounting Professional Ethics" and "Business Ethics and Integrity Culture" should be offered. At the same time, the concept of integrity should be naturally integrated into the teaching of professional courses such as financial accounting, auditing, and financial management. At the level of on-the-job training, it is necessary to establish a regular and effective mechanism for professional ethics training. Enterprises, government authorities, and industry associations should work together in the same direction to establish a collaborative mechanism and incorporate the training of integrity culture and professional ethics for on-the-job accounting personnel as a mandatory content of continuing education, making it a compulsory and required course. In terms of social publicity, all departments and industries need to fully utilize their own platform resources to disseminate urban culture and accounting professional ethics throughout society. Deeply explore and report the genuine outstanding deeds of those enterprises and accounting personnel who are honest, trustworthy, and adhere to professional ethics and standards. By leveraging these positive examples to exert a leading influence, it is also necessary to enhance the intensity of warning and educational measures [7]. At the same time, relevant negative cases such as financial fraud and ineffective auditing should be exposed and explained. Expose the serious consequences and social harms caused by them to the public. Through comprehensive and multi-level publicity and education, promote the establishment of a social consensus that "being trustworthy is honorable and being untrustworthy is disgraceful" throughout society, and create a favorable atmosphere where people pay close attention, actively support, and can participate in the construction of accounting professional ethics [1].

4.2. Improving industry norms and regulatory systems, and strengthening the binding force of the regulations

To improve industry norms, it is important to focus on their operability and forward-looking nature. In response to the regulatory gaps and implementation difficulties that have emerged in previous practices, it is necessary to further improve the legal framework and professional ethics standards in the financial sector, and to refine the relevant provisions. It is necessary to clearly define the behavioral standards and norms applicable in all scenarios, and also formulate detailed rules for identifying financial violations and corresponding classification-based penalty standards. This will enhance the "matching" process and increase the deterrent effect. At the same time, it is necessary to closely monitor the development trends of new business forms such as the digital economy and new technologies like artificial intelligence applications, and promptly revise industry norms to ensure their applicability. Strengthen government supervision and strive to form a cross-departmental collaborative force. Relevant departments such as finance, securities regulation, auditing, and taxation should further clarify their respective boundaries of responsibilities in the supervision of the accounting industry. Strengthening information sharing and law enforcement collaboration, and establishing a regular and institutionalized joint supervision mechanism can connect key information such as enterprises' financial data, audit reports, and penalty records, thereby minimizing regulatory blind spots and information silos. By leveraging the synergy between external auditing and public supervision, we can fully utilize the independent supervision capabilities of social auditing institutions such as accounting firms. At the same time, strengthen the supervision and management of auditing institutions, and strictly prevent collusion between auditing institutions and the audited entities for fraud.

4.3. Establishing and refining an integrity assessment system that balances incentives and constraints

Scientifically formulate the evaluation standards for integrity, with the industry associations taking the lead, in collaboration with regulatory authorities, academic institutions, and representatives from the practical field. Based on the characteristics of the industry and the requirements of professional ethics norms, jointly develop a system for evaluating the integrity of accounting personnel. The evaluation criteria should incorporate a wide range of aspects, including whether the professional conduct is compliant, whether the work results are accurate, whether laws and regulations are followed, whether professional ethics norms are adhered to, and whether continuing education has been completed to ensure the comprehensiveness, objectivity and practicality of the evaluation, and these standards will be dynamically adjusted according to the industry development and regulatory requirements. The integrity evaluation work itself also needs to be carried out in a standardized manner. Traceability management should be strengthened. Evaluation should be organized regularly by local financial departments or provincial industry organizations. The integrity status of accounting personnel should be assessed, and evaluation reports should be issued. During the evaluation process, various information such as internal self-assessment by enterprises, mutual assessment among colleagues, customer feedback, regulatory department records, and judicial judgments should be comprehensively considered. The principles of openness, fairness, and transparency should be adhered to to ensure the authenticity and reliability of the evaluation results. At the same time, based on the unified service management platform for accounting personnel across the country, a unified national integrity file database should be established, with one file per individual and dynamic updates.

4.4. Strengthening the primary responsibility of enterprises and creating an internal environment of integrity

In terms of the enterprise management team, the enterprise owners and senior managers are the key minority who determine the level of financial integrity of the enterprise. We should further strengthen the integrity education and responsibility constraints for the management team, continuously conduct education on professional ethics and compliance operations, and make them deeply understand that abiding by accounting professional ethics and ensuring the authenticity and completeness of financial information is the lifeline for the sustainable development of the enterprise. We should clearly define that the management team bears the primary responsibility for the authenticity of financial information and strictly hold the managers personally accountable for any acts of instructing, directing, or compelling accounting personnel to commit financial fraud. We should also take strict legal measures to prevent the phenomenon of "superiors breaking the law and subordinates bearing the blame" from occurring at its root. In terms of internal governance of enterprises, it is necessary to establish a sound financial supervision mechanism. In accordance with the requirements of modern enterprise systems, the corporate governance structure should be improved, and the supervisory functions of the board of directors' audit committee and the board of supervisors should be strengthened. The decision-making, execution, and supervision powers should operate in a mutually check-and-balance manner, and an internal control system covering all business processes should be established [5].

5. Conclusion

The culture of integrity and the construction of accounting professional ethics mutually promote and complement each other. On one hand, a strong atmosphere of integrity is conducive to strengthening the integrity awareness of accounting personnel, enabling them to consciously abide by professional ethics and creating a professional psychological environment where "it is impossible to be dishonest, one cannot be dishonest, and one does not want to be dishonest." On the other hand, the construction of accounting professional ethics itself is precisely the specific practice and institutional implementation of promoting the culture of integrity in the professional field. Looking to the future, as the culture of integrity gradually becomes a consensus and a conscious behavior among people, the construction of professional ethics will continue to deepen, the institutional framework will become increasingly complete, and the legal costs that financial fraud and other acts of dishonesty will have to bear will continue to rise, thereby forming a more powerful deterrent effect. Strengthening the construction of accounting professional ethics is a systematic project that requires long-term persistence and continuous efforts. Through the joint efforts of all parties, the accounting industry will establish a new pattern of professional ethics construction based on the culture of integrity, ensuring the quality of accounting information, maintaining economic order, and thereby providing fundamental guarantees for the high-quality development of the market economy.

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