

Critical Analysis of Cases Violation Ethics and Public Accountant Standards in Indonesia

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Article Info	Abstract
Received April 27, 2022	<i>Accountants who provide services to the public must gain the trust of the public. The purpose of this study is to analyze cases of violations, the impact of violations, the code of ethics of public accountants that have been violated, the best solutions for public accountants in the future. The research method used is literature study. The occurrence of violations such as collusion between accountants and clients, not maintaining integrity, competence, independence, morals or facts. In conclusion, violations committed by KAP can cause losses to investors, lose public trust in public accountants, and harm the accountants themselves. This study places more emphasis on the code of ethics that was violated in the KAP case and future solutions for the KAP.</i>
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INTRODUCTION

Accountants who provide services to the public must gain the trust of the public to ensure the quality of their work. Public trust is very important for the success of all professions that provide services to the community. This includes the accountant's trust. If the professional work quality of public accountants is good, then the public will have more confidence in the quality of public finances.

A public accountant is someone who has been authorized by the Minister of Finance of the Republic of Indonesia to provide accounting services to the public. The services referred to are assurance services that include audits of historical financial information, review of historical financial statements, and other assurance services. Public accountants can provide a variety of services related to accounting, finance, and management in accordance with applicable laws and regulations. (Dwitantiningrum, 2019).

A set of ethical rules and policies set out in a code of ethics is used to bind a profession. These rules include credibility, honesty, integrity, loyalty, respect and responsibility, prudence, fairness, and compliance with laws and regulations.

(Ahda and Sudarno, 2018). Every profession has a set of codes of ethics that govern the behavior of professionals. Professional ethics are the characteristics of a profession that distinguish it from other professions and help regulate the behavior of its members (Dwitantiningrum, 2019).

In addition to maintaining public trust and developing the accounting profession in the future, there is also a need for a role that always monitors the quality of the company's financial information and ensures the implementation of accounting principles, standards, procedures, concepts and methods in accordance with established accounting policies, so that financial statements that are The results obtained meet the qualitative characteristics so that the information can be understood, relevant, reliable, comparable, and reduces information asymmetry (Winata and Khomsiyah, 2018).

Audits are important for companies because they enable them to meet certain standards and be accountable to interested parties. Many companies rely on audit services offered by auditors (Yustar Afif, Widyastuti, and Julianto, 2021). Accountants usually observe independence rules when performing their work. The auditor must be completely impartial and must have no personal relationships with the client to ensure that the audit work is not influenced (Sepasi, 2019). In supporting the professionalism of accountants, a code of ethics for accountants has been compiled which is regulated in article 1 paragraph (2) by the Indonesian Accounting Association (IAI) which states each staff member must maintain an impartiality and objectivity when dealing with the quality of services they provide. This code of ethics is very important to create accounting that has ethical behavior (Anggraini et al., 2020).

Professional ethics code of ethics for the Indonesian Accountants Association is a set of guidelines that accountants in Indonesia must adhere to. This code of ethics provides guidelines for accountants to interact with clients, fellow members of the profession, and the public. The framework of the Indonesian Institute of Accountants (IAI) Code of Ethics contains eight ethical principles (Public Accountants Professional Standards, 2001: 001.14) as follows:

Integrity is a key component of professional recognition, which is the result of a character trait that is fundamental to success. Integrity requires the member to be honest and forthright without sacrificing the beneficiary's privacy. The principle of objectivity values the services provided by members. The principle of objectivity requires practitioners to not allow subjectivity, conflicts of interest or the undue influence of others to cloud their professional or business judgment. The principle of auditor competence states that an auditor's ability to conduct audits effectively and impartially is based on their knowledge and experience. The higher the competence of the auditor, the more reliably they can audit objectively and with precision.

The precautionary principle requires professionals to fulfill their professional responsibilities with competence and diligence. The principle of

confidentiality, confidentiality requires the practitioner to take the following actions: disclose confidential information obtained from professional and business relationships to other parties outside of the KAP or KAP network where they operate, unless there is a legal obligation to do so. Using confidential information obtained from professional or business relationships for personal gain is a breach of trust.

The principle of responsibility, each professional member of an organization must always use moral and professional considerations when carrying out their responsibilities. As professionals, members have a responsibility to society. Members must adhere to their professional responsibilities to all their clients. The principles of public interest are the interests of the accounting profession in ensuring that users of accounting services understand the high performance and ethical principles that are required to achieve this level of performance.

The principle of professional conduct, each professional member must maintain a good reputation and avoid any actions that could damage their credibility in the profession. Members must stay away from any behavior that could discredit the profession.

This obligation is a reminder of their responsibilities to the people they serve, third parties, other members, staff, their employers and the general public. The principles of technical standards, members adhere to the principles of technical standards and professional standards in carrying out their professional services. Members are obliged to refer service recipients as long as these actions are carried out in accordance with the principles of integrity and objectivity. Members of the Indonesian accountants association IFAC, as well as relevant legal entities and regulators, must comply with professional and technical standards.

Based on Law No. 5 of 2011 which has been ratified by (President of the Republic of Indonesia, 2011) Rights and Obligations of Public Accountants include: joining the Association of Professional Public Accountants determined by the Minister, domiciled in the territory of the Unitary State of the Republic of Indonesia and for Public Accountants who become KAP leader or KAP branch leader must domiciled in accordance with the domicile of the KAP or branch of the KAP, establish or become a Partner at the KAP within 180 (one hundred and eighty) days from the issuance of the relevant Public Accountant's license or since resigning from a KAP, report in writing to the Minister within a maximum period of no later than 30 (thirty) days after: becoming a Partner at KAP, resigning from KAP, or holding concurrent positions which are not prohibited by this Law. Keep up your professional skills by attending Continuing Professional Education events, and act with integrity and care. Public accountants who provide their services are required to follow the SPAP and professional code of ethics, as well as laws and regulations that relate to their

services.

As we all know that adhering to a code of ethics is not as smooth as we imagine. Threats and certain conditions that can influence a person to leave his own code of ethics. Sometimes we encounter problems that cannot be solved easily even after the existence of a code of ethics. This problem raises the dilemma of whether someone should maintain their code of ethics. The consequences can be considered to have violated the code of ethics (Hary et al., 2018).

Most CPAs do not expect their actions to affect the interests of clients. However, following a professional code of conduct may lead to negative consequences for the client. Many public accountants who want to protect their clients from harm may find that following the code of ethics can create conflicts of interest. On the one hand, taking care of the interests of clients ignoring existing ethical rules or ethical values can be self-interested (increasing the financial benefits of public accountants). On the one hand, upholding the rules and ethical values can protect the interests of users, but on the other hand, this could damage the interests of clients(Gaffikin and Lindawati, 2012).

The purpose of this study is to analyze cases of violations, the impact of violations, the code of ethics of public accountants that have been violated and the best solutions for public accountants in the future.

Table 1. List of Violations of the Accountant Professional Code of Ethics

CASE	CASE DETAILS
PT. Kereta Api Indonesia (KAI) (2005)	Manipulation of financial statements where the company should be at a loss but is reported to have made a profit. There are a number of items that should be declared as expenses, but instead are stated as company assets. In his 2005 financial report, he announced that profits had increased by Rp. 6.90 billion has been achieved thus far. In fact, on closer inspection, in fact it should have been declared that she suffered a loss. There are approximately 63 billion people in the world.
The Case of the Minister of Finance Freezing Electronic Solution Auditing Permits (2008)	The Minister of Finance Sri Mulyani Indawati suspended the license of Public Accountant Drs Oman Pieters Arifin for violating auditing standards (SA) and professional standards of public accountants (SPAP). The audit found that PT Electronic Solution Indonesia had violated financial reporting requirements in 2007. The revocation of the license was announced in the Minister of Finance's decree. The 305/KM.1/2008 decision is valid for nine months from the date of stipulation.

CASE	CASE DETAILS
<p>The Case of the Minister of Finance suspending the permit of KAP Tahrir Hidayat & AP Dody Hapsoro (2008)</p>	<p>The Minister of Finance Sri Mulyani suspended the licenses of the public accounting firm KAP Drs Tahrir Hidayat and Public Accountant (AP) Drs Dody Hapsoro. The suspension of KAP Tahrir's license was based on a decree issued by the Minister of Finance in 2008. Meanwhile, Dr. Dody Hapsoro became effective on June 20, 2008, through the Minister of Finance's decree number 409/KM.1/2008.</p> <p>According to the Head The Ministry of Finance's Public Relations Bureau, Samsuar Said, suspended the business license of KAP Tahrir, as a follow-up after the Minister of Finance suspended AP Tahrir Hidayat's permit. KAP Tahrir was frozen for 24 months. Meanwhile, AP Dody Hapsoro, was imposed with a suspension of six months.</p>
<p>KPMG-Siddharta Siddharta & Harsono case (2001)</p>	<p>In September 2001, KPMG-Siddharta, Siddharta & Harsono had to face the shame. This well-known accounting firm has been proven to have bribed the Indonesian tax authorities in the amount of \$75,000. A fake invoice was issued for KPMG's professional services fees that Baker Hughes' subsidiary PT Easman Christensen had to pay. In the New York Stock Exchange. Thanks to the bribery act, Easman's tax liability has indeed shrunk drastically. The original US\$3.2 million investment decreased by US\$270 thousand.</p>
<p>Nine KAP (2001)</p>	<p>Jakarta, April 19, 2001 Indonesia Corruption Watch (ICW) asked the police to investigate nine public accounting firms that have been inspected by the Financial and Development Supervisory Agency (BPKP) have generally met the standards set by the agency, were suspected of colluding with the bank they audited between 1995-1997. ICW Coordinator Teten Masduki told reporters in Jakarta on Thursday that based on BPKP's findings, out of all the KAPs that conducted audits of 36 troubled banks, nine out of ten KAPs did not carry out audits in accordance with auditing standards. The audit results turned out to be inconsistent with reality, so as a result the majority of the banks being audited were among the banks whose business activities were frozen by the government around 1999.</p>

CASE	CASE DETAILS
The Case of Mulyana W Kusuma (2004)	This case happened around 2004. Mulyana W Kusuma was suspected of bribing BPK members in order to win their support for a financial audit of the procurement of election logistics. The logistics for the election are ballots, envelopes, ink, and information technology. After the inspection, the agency and BPK ask for the report to be completed. The report is completed, BPK agree to report better than before, in addition to Information Technology. It was decided that the report would be re-examined one month later.
The Case of PT Muzatek Jaya (2007)	The Minister of Finance immediately imposed a stop to all financial transactions. The Minister of Finance has suspended the license of AP (Public Accountant) Drs Petrus M. Winata from the KAP. Mitra Winata and Rekan for 2 years from March 15, 2007, Director of Public Relations, Dep. Finance explained that the freezing sanction was imposed because the AP had violated professional standards of public accountants. The audit issue regards the implementation of the audit of the financial statements of PT. Muzatek Jaya for the 2004 fiscal year ended December 31st, operated by Petrus. Besides that, Peter also violated the restrictions in the audit assignment, including a general audit of of the financial statement PT. Muzatek Jaya began in 2001 until 2004.
Bad Credit Raden Motor, AP Ordinary Sitepu (2009)	Public Accountant who made the financial statements of Raden Motor in 2009 in an effort to get credit from BRI Jambi Branch who was involved in the corruption case of bad loans. This information was revealed after the Jambi Prosecutor's Office released the corruption of bad loans for business development in the automotive sector. Fitri Susanti, attorney for Effendi Syam, a suspect involved in the case, after examining his client and interviewing witnesses, found that there was a strong suspicion that Sitepu was involved in this case as a public accountant.

Source :<https://dwiyustianita.wordpress.com/2017/01/04/10>

The table above is a list of a number of cases of manipulation of financial statements that violate the code of ethics of the accounting profession compiled from various sources. Reading the description, there has

been a violation of professional ethics and at the same time has violated business ethics.

The organization realized that a thorough examination of the relationship between the accounting role and the accounting professional was necessary after the previous failure. Organizations are now taking a renewed interest in Ethics within the accounting profession, with the hope of training and developing individuals who adhere to strong ethical and behavioral principles.(Jaijairam, 2017).

Thus, a violation of the professional code of ethics by KAP will cause a loss of public confidence in the public accounting profession. Basically, audit results from public accountants are a very valuable reference for stakeholders in making economic decisions. Act. No. 5/2011 public accounting services are important in making sound economic decisions and have a significant impact on globalization. They are also important in promoting transparency and quality of information in the financial sector. The public accounting profession faces many ethical dilemmas from every service offered. Conflicts can arise when an accountant must make professional judgments, taking into account a moral perspective. Conflict situations or ethical dilemmas are a challenge for the public accounting profession. For this reason, it is absolutely necessary to have high ethical awareness, which supports the ethical attitudes and behavior of public accountants in dealing with these conflict situations.

There are many factors that influence the ethical attitudes and behavior of public accountants. The accounting profession also faces challenges to the auditing paradigm, including the fact that each country still has its own accounting principles and standards, and auditing standards can differ from those of other countries. The accounting profession has not fully adhered to the standards of ethical behavior for the profession.

METHODS

The research method used is literature study. Data were collected from several sources that raised cases of violations of the code of ethics committed by KAP, such as magazines, newspapers, journals, and other sources. In addition, data was also collected from the Indonesian Ministry of Finance and professional institutions such as the Indonesian Institute of Accountants.

The technique used in this research is analyzing, analyzing is the ability to separate material (information) into its necessary parts, looking for relationships between its parts, being able to see (recognize) its components, how the components are related and organized, and distinguishing facts from

fantasies. The analytical technique used is the framework of "critical analysis", what is meant by critical analysis is a method by examining the phenomena that occur accompanied by theoretical arguments.

Within that framework, the approach to writing this article uses an integration approach. Approach cohesiveness emphasizes the importance of theoretical linkages with facts and phenomena as the basis of analysis. This integrated approach is also the author's point of view (perspective) on the core issues discussed in this article.

RESULTS AND DISCUSSION

PT Kereta Api Indonesia, S. Manan Public Accounting Firm (2005)

Findings : PT Kereta Api Indonesia manipulated the financial statements in which the company should have made a loss but was reported to have made a profit. There are a number of items that should be declared as expenses, but instead are stated as company assets.

It is suspected that as a result of the 2005 PT KAI account data, the state-owned company made a profit of Rp. 6.9 billion. If the company were to be examined more closely, it should have been at a loss. That is 63 billion. Commissioner of PT KAI Hekinus Manao who is also Director of Information and Accounting of the Directorate General of State Treasury at the Ministry of Finance said the financial statements have been audited by the public accounting firm S. Manan. The Supreme Audit Agency (BPK) audited the financial statements of PT KAI in 2003 and earlier. In 2004, BPK and public accountants audited it. Third party taxes have not been collected for three years, but are included in PT KAI's 2005 revenue in the company's financial statements. PT KAI has a VAT assessment of Rp 95.2 billion issued by the Directorate General of Taxes at the end of 2003 financial statements show that the company has receivables from several that should pay the tax burden. Government assistance whose status has not been determined with a cumulative total capital value of IDR 674.5 billion and state capital investment of IDR 70 billion by the management of PT KAI is presented in the balance sheet as of December 31, 2005 as part of debt.

Analysis: from the case that occurred in PT Kereta Api Indonesia, a public accountant code of ethics that has been violated by public accountant S. Manan, namely professional responsibility, integrity, technical standards, public interest, and professional behavior. Professional responsibility, the public accountant does not carry out professional responsibilities because the public accountant does not carry out his professional duties properly in terms of making PT KAI's financial statements in 2005, thus causing public trust in public accountants to be lost. In the public interest, the public accountant does not

respect public trust because he deceives the public by manipulating financial statements. Professional behavior, public accountants behave badly by making false financial statements, causing a bad reputation for their profession and discrediting their profession. Integrity, public accountants cannot maintain their integrity, resulting in a conflict of interest. The interest in question is the public interest and the private interest of the public accountant. Technical standards, public accountants do not carry out their ethics/duties in accordance with the professional ethics that have been set by the Indonesian Institute of Accountants.

The Case of the Minister of Finance Freezing Electronic Solution Auditing Permits (2008)

Findings: Minister of Finance Sri Mulyani Indawati suspended the license of Public Accountant Drs Oman Pieters Arifin for violating Auditing Standards (SA), and Professional Standards of Public Accountants (SPAP). The violation was carried out in the audit of the 2007 Financial Statements of PT Electronic Solution Indonesia. The revocation of the license was stated in the Decree of the Minister of Finance Number 305/KM.1/2008 dated April 29, 2008 and is valid for 9 months from the date of the decision. During the license suspension period, Drs Oman Pieters Arifin was also prohibited from selling accountant services. Covers attestation services including general audit of financial statements, audit services on prospective financial statements, audit services on pro forma financial information reporting. In addition, the person concerned is prohibited from providing other audit services and services related to accounting, finance management, compilation, taxation, and consulting in accordance with the competence of a Public Accountant and the prevailing laws and regulations. Drs. Oman is also prohibited from becoming a Leader and/or Partner Leader and or Branch Manager of a Public Accounting Firm, and is required to take Continuing Professional Education (PPL), and remains responsible for the services provided.

Analysis: from the above case, Drs OPA has violated Auditing Standards (SA) - Professional Standards of Public Accountants (SPAP). And from this case, Drs Oman Pieters Arifin has deviated from his profession as a public accountant. In this case, Drs Oman Pieters Arifin has violated the auditing standards in SPAP. Auditing Standards are ten standards set and ratified by the Indonesian Institute of Certified Public Accountants, which consist of general standards, fieldwork standards, and reporting standards and their interpretations. Auditing standards are guidelines for auditing historical financial statements.

The Case of the Minister of Finance suspending the permit of KAP Tahrir Hidayat & AP Dody Hapsoro (2008)

Findings: Minister of Finance Sri Mulyani suspended the licenses of the public accounting firm (KAP) Drs Tahrir Hidayat and Public Accountant (AP) Drs Dody Hapsoro. The suspension of KAP Tahrir's license was based on the

Decree of the Minister of Finance Number 397/KM 1/2008, effective June 11, 2008. Meanwhile, AP Drs Dody Hapsoro, through the Decree of the Minister of Finance Number 409/KM.1/2008, was effective as of June 20, 2008. According to the Head The Ministry of Finance's Public Relations Bureau, Samsuar Said, suspended the business license of KAP Tahrir, as a follow-up after the Minister of Finance suspended AP Tahrir Hidayat's permit. KAP Tahrir was frozen for 24 months. Meanwhile, AP Dody Hapsoro, was imposed with a suspension of six months.

This suspension is because the person concerned has violated the Auditing Standards (SA) Professional Standards of Public Accountants (SPAP) in the audit of the consolidated financial statements of PT Pupuk Sriwidjaya (Persero) and its subsidiaries for the 2005 financial year. During the permit suspension period, KAP Drs Tahrir Hidayat and AP Drs Dody Hapsoro, are prohibited from providing public accounting services, including attestation services including general audit of financial statements, audit services on prospective financial statements, audit services on pro forma financial information reporting, review of financial statements, as well as other attestation services as stated in SPAP. Both are also prohibited from providing other audit services as well as services related to accounting, finance, management, compilation, taxation, and consultation in accordance with the competence of the AP and the applicable laws and regulations. Meanwhile, the Minister of Finance requires KAP Drs Tahrir Hidayat to maintain the Independent Auditor's Report, on audit work and other documents. AP Dody Hapsoro is also prohibited from being a dim leader or peer leader and or KAP branch leader, and is required to take Continuing Professional Education (PPL).

If within a maximum period of six months from the end of the suspension period the permit does not resubmit the application for approval to provide services, the AP and KAP do not resubmit the application for approval to provide services, the sanction is subject to revocation of the permit. on inspection work and other documents. AP Dody Hapsoro is also prohibited from being a dim leader or peer leader and or KAP branch leader, and is required to take Continuing Professional Education (PPL). If within a maximum period of six months from the end of the suspension period the permit does not resubmit the application for approval to provide services, the AP and KAP do not resubmit the application for approval to provide services, the sanction is subject to revocation of the permit. on inspection work and other documents. AP Dody Hapsoro is also prohibited from being a dim leader or peer leader and or KAP branch leader, and is required to take Continuing Professional Education (PPL). If within a maximum period of six months from the end of the suspension period the permit does not resubmit the application for approval to provide services, the AP and KAP do not resubmit the application for approval to provide services, the sanction is subject to revocation of the permit.

Analysis: from the above case the public accounting firm (KAP) Drs Tahrir Hidayat and Public Accountant (AP) Drs Dody Hapsoro have violated the Auditing Standards (SA) Professional Standards of Public Accountants (SPAP) in the audit of the consolidated financial statements of PT Pupuk Sriwidjaya (Persero) and subsidiaries for the 2005 financial year.

Siddharta Siddharta & Harsono (2001)

Findings: in September 2001 KPMG-Siddharta, Siddharta and Harsono should be found ashamed. This leading public accounting firm is proven to have bribed Indonesia's taxes amounting to \$75,000. A fraudulent ploy to charge KPMG's professional services PT Easman Kristensen, Baker Hughes Co., Ltd. a subsidiary listed on the New York Stock Exchange, must pay. Thanks to this act of bribery, Easman's tax liability shrank, even drastically. The initial investment was US\$3.2 million, down US\$270,000. Baker's Anti-Bribery Advisors are alert to the behavior of its subsidiaries. So instead of taking the bigger risk, Baker reported the case and fired the executive. The US stock regulatory agency, the Securities & Exchange Commission, charged him with the Foreign Corrupt Practices Act, an anti-corruption law for American companies overseas. As a result, Baker and KPMG almost ended up in a Texas district court. However, because Baker begged for forgiveness, the case was eventually settled out of court. KPMG was saved.

Analysis: the violations committed by Public Accountants Siddharta Siddharta & Harsono were included as serious violations in addition to committing criminal acts of bribing tax officials but also violating the professional code of ethics, namely the public interest, these actions have damaged public trust and the actions taken are very detrimental to professional organizations, but unfortunately because the company involved is a large company in the United States (Baker Hughes Inc.) finally the case was settled out of court.

Nine KAP (2001)

Findings: Jakarta, April 19, 2001 Indonesia Corruption Watch (ICW) asked the police to investigate nine public accounting firms, which, based on a report by the Financial and Development Supervisory Agency (BPKP), were suspected of colluding with the bank they audited between 1995-1997. ICW Coordinator Teten Masduki told reporters in Jakarta on Thursday that based on BPKP's findings, nine out of ten KAPs that conducted audits of around 36 troubled banks did not carry out audits in accordance with auditing standards. The audit results turned out to be inconsistent with the reality, so that the majority of the audited banks were among the banks whose business activities were frozen by the government around 1999. The nine KAPs were AI & R, HT & M, H & R, JM & R, PU & R, RY, S & S, SD & R, and RBT & R. In other words, the nine KAPs have violated professional ethics.

Analysis: the public accounting firm has committed collusion and the accountant in question has violated the code of ethics of the accounting profession. namely: the principle of professional responsibility, in this case, by issuing a false report, the accountant has violated the trust given by the public to them as people who are considered trustworthy in the presentation of financial statements.

The principle of public interest, in this case, the accountants are considered to have betrayed the public's trust by presenting the financial statements that were engineered. The principle of integrity, in this case, the nine KAPs were not honest and frank with the general public by forming a coalition with their clients. The principle of objectivity in this case, nine KAPs are considered not objective in carrying out their duties. They have acted impartially, namely, putting the interests of the client first and they are unable to provide a fair, impartial, and free assessment of the other party's pieces.

The Case of Mulyana W Kusuma (2004)

Findings: This case occurred around 2004. Mulyana W Kusuma as a KPU member was suspected of bribing BPK members who at that time were going to conduct a financial audit related to the procurement of election logistics. The logistics for the election in question are ballot boxes, ballots, ballot envelopes, ink, and information technology. After the inspection, the agency and the BPK request that the report be revised. After the completion of the report, BPK agreed that the report was better than before, except for information technology. For this reason, it was agreed that the report would be re-examined one month later.

After a month had passed, it turned out that the report had not been completed and it was agreed that additional time would be given. It was at this time that the news of Mulyana W Kusuma's arrest was heard. Mulyana was arrested because he was accused of trying to bribe a member of the BPK audit team, namely Salman Khairiansyah. In the arrest, the KPK intelligence team collaborated with the BPK auditor. According to Khairiansyah's version, he collaborated with the KPK in trapping the bribery attempt by Mulyana's brother by using an image recording device during their two meetings. This arrest raises the pros and cons. One party is of the opinion that the auditor concerned, namely Salman, has been instrumental in uncovering this case, while the other party is of the opinion that Salman should not have done this act because it has violated the accountant's code of ethics.

Analysis: in the context of the Mulyana W Kusuma case, it can be stated that the actions of both parties, the third party (auditor), and the job recipient, namely the KPU, were equally unethical. It is unethical for an auditor to communicate to the audited party or the employer based on a sum of money as happened in the case of Mulyana W Kusuma, even though with a 'noble' purpose,

namely to reveal indications of corruption within the KPU. From the point of view of professional ethics, auditors appear irresponsible, namely by using the trap of monetary rewards to carry out their profession. The auditor also lacks integrity when in his mind there is already a side to one party, namely the employer, concluding that there has been corruption.

In terms of independence and objectivity, BPK's auditors are highly doubtful. Based on the principle of prudence, the BPK auditor has haphazardly carried out his profession. As a BPK auditor, what should be done is that with technical standards and inspection procedures, the BPK auditor must be able to carefully, objectively, and correctly disclose how the flow of funds enters the KPU and how these funds are spent or spent. With techniques and procedures that have also been regulated in the accounting profession, negative things will definitely be revealed, including allegations of corruption if it does occur.

It is clear that the BPK auditors do not believe in their professional abilities, so he considers that revealing the truth can be done in all kinds of ways, including unethical methods, as well as unscrupulous as has happened, namely by traps. In this case, it is back to the moral responsibility of an auditor throughout Indonesia, including the BPK, to be aware and have the technical capacity that it is very difficult to hold on to the trust of the people to ensure that funds or money from the people managed by various parties have been used properly, accountable, and transparent, the more complete the effort to eradicate corruption in this country.

PT Muzatek Jaya AP Drs. Petrus Mitra Winata and Partners (2007)

Findings: cases of violations of the Professional Standards of Public Accountants re-emerged. The Minister of Finance also gave a freezing sanction. The Minister of Finance immediately imposed a stop to all financial transactions. The Minister of Finance has suspended the license of AP (Public Accountant) Drs Petrus M. Winata from the KAP. Mitra Winata and Rekan for 2 years from March 15, 2007, Director of Public Relations, Dep. Finance explained that the freezing sanction was imposed because the AP had violated professional standards of public accountants. The audit issue regards the implementation of the audit of the financial statements of PT. Muzatek Jaya for the 2004 fiscal year ended December 31st, operated by Petrus. Besides that, Peter also violated the restrictions in the audit assignment, including a general audit of of the financial statement PT. Muzatek Jaya began in 2001 until 2004.

Analysis : in that case, a permit sanction is given because the public accountant has violated professional standards. The auditor has violated the fourth principle accounting ethic, namely the principle of objectivity. Each team member must maintain objectivity and be free from conflicts of interest in order to fulfill their professional obligations. Peter also violated the rules limiting the audit space that had been carried out by conducting a general audit of PT

Muzatek Jaya's 2001-2004 financial statements.

As a public accountant, Drs. Petrus Mitra Winata must comply with the applicable Public Accountant Professional Standards (SPAP), to maintain auditor independence, public accountants can give their customers a maximum of three consecutive years to be audited in general, which in the Regulation of the Minister of Finance of the Republic of Indonesia No. 17/PMK. 01/2008) regarding public accounting services. The time limit for the provision of services in Article 3 paragraph (1) states: the provision of general audit services on the financial statements of an entity as referred to in article 2 paragraph (1) letter is carried out by the Public Accountant Firm for a maximum of 6 (six) consecutive financial years and by an Accountant Public for a maximum of 3 (three) consecutive financial years.

Bad Credit Raden Motor, AP Ordinary Sitepu (2009)

Findings: Public Accountant who made the financial statements of Raden Motor in 2009 in an effort to get credit from BRI Jambi Branch who was involved in the corruption case of bad loans. This information was revealed after the Jambi Prosecutor's Office released the corruption of bad loans for business development in the automotive sector. Fitri Susanti, attorney for Effendi Syam, a suspect involved in the case, after examining his client and interviewing witnesses, found that there was a strong suspicion that Sitepu was involved in this case as a public accountant. The examination and confrontation of the suspect's statements with the witness Ordinary Sitepu revealed that the financial statements of Raden Motor's company were incorrect in applying for a loan from BRI.

Analysis: Sitepu's Public Accountant, based on the findings, made a mistake, namely not providing important information related to the company's condition, so that BRI always uses the wrong financial statements in conducting credit analysis. With this it can be concluded that there are several violations of the accounting profession's ethics that are violated by public accountants, namely: professional responsibility, the public accountant does not carry out professional responsibilities because the public accountant does not carry out his professional duties properly in terms of making financial reports for Raden Motor company to obtain a capital loan of Rp 52 billion from BRI Jambi Branch in 2009, causing the public's trust (raden motor) to be lost in public accountants. In the public interest, the public accountant did not show proper respect for the public's trust by failing to report on four activities that could have led to a conflict of interest when applying for a loan from Bank BRI.

Objectivity, public accountants do not apply the principle of objectivity by committing acts of intellectual dishonesty by committing fraud in the preparation of the financial statements of Raden Motor's company. Professional behavior, public accountants behave badly by making false financial statements,

causing a bad reputation for their profession and discrediting their profession. Integrity public accountants are unable to maintain their integrity, resulting in a conflict of interest.

The interest in question is the public interest and the private interest of the public accountant. Technical standards, public accountants do not carry out their ethics/duties in accordance with the professional ethics that have been set by the Indonesian Institute of Accountants.

Observing some of the violations committed by Public Accountants and Public Accountants in Indonesia, it is very concerning considering that the field of professional work places great emphasis on trust, public trust and public interest must be sacred for Public Accountants. Enforcement of the accountant's code of ethics is also very necessary in carrying out the accounting profession.

CONCLUSIONS AND SUGGESTIONS

From the description above, it can be concluded several things regarding the application of the accountant's code of ethics and mistakes made by accountants or KAP, as well as solutions for the accounting profession, especially public accountants in the future.

The forms of violations committed by the Public Accounting Firm include: limitation of the period of provision of audit services, in accordance with Regulation of the Minister of Finance of the Republic of Indonesia Number 17/PMK.01/2008 accountants for a maximum of 3 consecutive years for public accountants and six consecutive years for KAP, there is collusion between accountants and clients, violates the code of ethics of accountants that should be adhered to in carrying out the profession, namely professional responsibilities, integrity, technical standards, public interest, objectivity, prudence, competence and professional behavior, violates the Professional Standards of Public Accountants (SPAP) and Auditing Standards, takes action corruption, bribery and unethical behavior.

When viewed from the cases of violations that occurred in Indonesia, the suggestions that can be given by researchers in this regard are: first, the occurrence of the violation case is based on the lack of culture, ethical awareness and morality, and the lack of solid life guidelines of the individual, therefore it is necessary deeper guidance from the Center for Accountants and Appraisal Services (PPAJP) which one of its duties and functions is to provide guidance to Accountants. Second, sanctions and fines will be tightened for those who violate the professional ethics of the Public Accountant so that individuals feel deterred from taking actions that violate the rules and standards in their profession. Third, the need to improve the quality of supervision of the financial profession includes the Public Accounting Firm (KAP), the Appraisal profession and the

Public Accountant profession,

Based on the results of this study, the theoretical and practical implications can be stated as follows: Theoretical implications: in carrying out the profession as a Public Accountant, a Code of Ethics for Public Accountants and Professional Standards for Public Accountants (SPAP) are required, so that in carrying out duties as an accounting profession in accordance with applicable professional ethics. In addition, as a public accountant, it is also necessary to have knowledge of the rights and obligations as well as the prohibitions contained in the Law No. 5 of 2011.

Practical implications: first, the results of this study are used as input for companies that want to use the services of a Public Accountant to be more selective in choosing parties to audit financial statements. The two results of this study are used as input for the community to improve supervision of the assessment of the Public Accountant profession. The three results of this study are used as input for the Ministry of Finance to tighten control and supervision of the Public Accountant profession and Public Accounting Firm (KAP).

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