

## Challenges and Opportunities in the Digital Era in Building Accounting Professional Ethics

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### ABSTRACT

The digital era has brought about significant transformation in the accounting profession, offering greater convenience, efficiency, and accuracy through technologies such as artificial intelligence (AI), big data, blockchain, and automation. However, these technological developments have also given rise to complex ethical challenges, particularly in terms of financial statement integrity, data security, and transparency. This study aims to explore the challenges and opportunities faced by the accounting profession in building and maintaining professional ethics amidst advances in digital technology. Based on the literature review, the main challenges faced by accountants include data privacy and security issues, the potential for misuse of technology to manipulate financial statements, and the loss of subjective elements of professionalism due to automation. On the other hand, technology also provides opportunities to increase transparency of financial statements, strengthen supervision and audits, and enrich accountants' competencies in deeper data analysis. This study suggests the importance of ethics training that is more relevant to technological developments, as well as the wise use of technology to strengthen the principles of accountability and integrity in the accounting profession. The findings of this study are expected to provide insight for practitioners, educators, and policy makers in creating a more professional and ethical work environment in the world of digital accounting.

**Keywords:** accounting professional ethics, digital era, transparency, integrity, automation, blockchain, artificial intelligence.

### 1. INTRODUCTION

Recent developments related to artificial intelligence automation have introduced drastic changes to many traditional professional practices, including accounting (Alghafiqi, 2022). Amidst the rapid advancement of information and communication technology, the accounting profession faces significant new challenges in terms of ethics and professional integrity. The digital era marked by technological advances such as artificial intelligence (AI), big data, automation, blockchain, and data analytics has changed the way accountants prepare financial reports, conduct audits, and analyze and manage financial data. Although this technology offers various conveniences and efficiencies, it also brings challenges related to the application of ethical principles that underlie the accounting profession.

Accounting is not just a technical job involving numbers and figures, but also a profession based on the values of integrity, transparency, objectivity, and confidentiality. Therefore, maintaining the ethics of the accounting profession is very crucial in ensuring that the financial reports and financial information produced remain reliable and used as a basis for making the right decisions, storage of the ethical values of the accounting profession can be the cause of the destruction of an organization or company (Syahputra, 2023). With the existence of digital technology that can accelerate and simplify data processing, accountants are now faced with new ethical dilemmas, such as how to ensure data security and confidentiality, avoid misuse of technology to manipulate financial reports, and ensure transparency and accountability even though many processes are now automated.

At the same time, technological developments also open up opportunities to strengthen these ethical principles. Technology can be used to increase transparency in financial reporting, strengthen supervision and auditing with more accurate data analysis, and reduce the possibility of manipulation or error. For example, the use of blockchain in recording transactions can ensure that recorded data cannot be changed without detection, increasing accountability and public trust in the information presented by the company. In addition, technology also provides opportunities for accountants to improve their competence in data analysis and more comprehensive financial information management (Dera, 2024).

However, despite the enormous opportunities offered by technology, many accounting practitioners still feel unprepared to face the ethical challenges that arise amidst this rapid development. This creates new demands in education and training, where the accounting profession must continue to innovate in order to ensure sustainability and relevance (Nurfianti, 2024). The lack of understanding or training regarding the application of ethics in the use of technology, as well as the gap between technical skills and ethical understanding, are obstacles to maintaining accounting professionalism. Therefore, it is important to understand how the accounting profession can develop strong ethics in the digital era so that accountants can continue to carry out their roles with high integrity and professionalism.

This study aims to explore the challenges and opportunities faced by the accounting profession in building and maintaining professional ethics amidst rapid technological developments. In addition, this study also focuses on identifying factors that can help accountants in overcoming ethical dilemmas arising from the application of technology, as well as developing recommendations for strengthening ethics education and policies in the accounting profession. Thus, this study is expected to contribute to creating a more transparent, accountable, and integrity-based work environment in the accounting world, as well as ensuring that technology can be used will ethically serve to strengthen the professional objectives of accounting.

In the rapidly evolving digital era, the accounting profession faces new challenges that affect the way professionals work, their responsibilities, and their ethical principles. Digital transformation, including technological advances such as artificial intelligence (AI), automation, and big data analytics, has profoundly changed the landscape of the accounting industry. While technology offers many opportunities, such as greater efficiency and the ability to analyze data more quickly and accurately, ethical challenges are also increasingly complex and require serious attention.

## **2. LITERATURE REVIEW**

### **1. Accounting Professional Ethics**

Accounting professional ethics is a set of norms, principles, and guidelines used by accountants to ensure that their duties and responsibilities are carried out with integrity, transparency, objectivity, and responsibility to the public. These ethical principles are important because accountants play a

vital role in the preparation of financial reports that can influence decision-making by various parties, such as management, investors, regulators, and the public.

According to IFAC (International Federation of Accountants), there are five basic ethical principles that must be upheld by every accounting professional, namely:

- **Integrity:** Avoid behavior that could harm other parties or deviate from honesty.
- **Objectivity:** Not influenced by personal bias or external influences that may interfere with objectivity in decision making.
- **Professional Competence and Due Care:** Maintain an adequate level of competence and provide services based on appropriate knowledge and skills.
- **Cooperation and Confidentiality:** Respect the confidentiality of client or related party information and maintain professionalism.
- **Professional Behavior:** Maintain good and responsible behavior towards the profession and society.

With these principles, accounting professional ethics become the foundation for maintaining public trust and integrity in financial reports.

## 2. The Influence of Digital Technology on the Accounting Profession

Digital technologies, such as automation, artificial intelligence (AI), big data, and blockchain, have changed the way accountants work. Technology enables accountants to improve efficiency, accuracy, and speed in performing routine tasks, such as recording transactions, reconciling data, and auditing (Arie, 2024). By using cloud-based accounting software or process automation, accountants can process large amounts of data more quickly and accurately, and provide more in-depth analysis.

However, the use of technology also has an impact on the ethics of the accounting profession, the sophistication of technology allows for the possibility of data manipulation that is more difficult to detect, thus increasing the risk of misuse of technology by irresponsible individuals. For example, with the ability to manipulate numbers through software, someone can change financial reports without being detected by outsiders.

In addition, one of the main risks in implementing digital technology is the issue of data security. Accountants now manage more sensitive information and are vulnerable to cyber threats, such as data leaks or hacking. This requires accountants to be more careful in using technology and ensure that the systems used comply with applicable security standards (Lestari, 2024).

## 3. RESEARCH METHODS

This research is a type of qualitative research which is a literature review or library study related to the issue raised, namely Building Strong Accounting Professional Ethics with Challenges and Opportunities in the Digital Era. Qualitative research was chosen because it does not require detailed statistical analysis, because this study aims to describe and analyze the need to build strong accounting professional ethics to face challenges and seize opportunities in the digital era. In addition, the reason underlying this literature review is because there are documents, previous studies and journal articles that also discuss the issue of public accountants in the digital era, but the study has not discussed it from the perspective of professional ethics, so it needs to be combined and analyzed systematically in order to produce a comprehensive understanding. The main data collection method in this study is through literature studies and observations of previous research articles.

## 4. RESULTS AND DISCUSSION

### Ethical Challenges in the Digital Age

#### 1. Changes in Data Management and Information Security

Technology has enabled the collection and analysis of vast amounts of data, but this raises issues related to data privacy and security. Accountants are exposed to the risk of misuse of client data or sensitive information that could impact public trust. Accountants must be careful to maintain the confidentiality of information and comply with data protection regulations such as the General Data Protection Regulation (GDPR).

#### 2. Data Fraud and Manipulation with Technology

One of the biggest challenges is the potential for misuse of technology to manipulate financial data or financial statements. While technology can improve accuracy, it can also be used to create false financial statements or cover up fraud. Accountants must have high integrity and develop the ability to identify and prevent these abuses.

#### 3. Automation and Job Replacement of Accountants

While automation offers efficiency, many routine tasks previously performed by accountants can now be performed by software and AI. This raises ethical dilemmas about job losses and changing roles for accountants. Accountants need to strike a balance between the use of technology and the humanistic values of their profession. So that accountants do not lose the opportunity to make deeper professional judgments in complex or ambiguous conditions that require professional ethics.

### Opportunities to Strengthen Professional Ethics

#### 1. Improving the Quality and Transparency of Financial Reports

The development of more sophisticated technology is a significant opportunity, accountants can produce more accurate and transparent financial reports (Laia, 2024). More complete data and deeper analysis allow for better and more responsible decision making. This can strengthen public trust in the accounting profession.

#### 2. Better Ethics Education and Training

The digital age requires accountants to continually update their technical skills, but also their ethical skills. More in-depth ethics education, covering the challenges and dilemmas that arise from the use of new technologies, can help accountants make wiser decisions. Professional training programs that focus on ethics in the digital age are becoming increasingly important.

#### 3. Collaborating with Technology to Maintain Integrity

Technology, if used wisely, can help strengthen internal control and audit systems. For example, the use of blockchain in recording transactions can ensure transparency and reduce the risk of data manipulation. With the right use of technology, accountants can maintain integrity and accountability in financial reports.

#### 4. The Role of Accountants in Enhancing Social and Environmental Responsibility

Technology is also enabling accountants to play a greater role in social and environmental issues. With the ability to analyze data on the social and environmental impacts of business decisions, accountants can provide deeper insights to ensure that a company's decisions are not only financially profitable, but also responsible to society and the planet.

## 5. CONCLUSION

Building strong accounting professional ethics in the digital era is an urgent need. The challenges that exist require not only adaptation to technology, but also the application of solid ethical principles in every aspect of the accountant's work. On the other hand, the digital era also opens up great opportunities to strengthen integrity, transparency, and accountability in the accounting profession. Therefore, accountants need to continue to develop and update their technical and ethical skills, and work to ensure that technology is used to support the values of professionalism and social responsibility.

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