

**The Unbearable Lightness of Internal Auditing:
Ethics and Virtues in a Heteronomous Field**

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Abstract

This paper examines ethics and virtues in the field of internal auditing. A set of in-depth interviews, the autobiography of ex-Vice President of Internal Audit of World Com, Cynthia Cooper, and the website of the Institute of Internal Auditors (IIA) are all analyzed to shed light on the ethics—deontic, teleic, and aretaic—that characterize this weakly autonomous or ‘heteronomous’ field. Based on these data sets and different ethical lenses, and further employing Milan Kundera’s rhetorical trope of ‘lightness vs. weight’, the paper contrasts the profession’s treatment of ethics and virtues with the ethics and virtues found in the field of practice. The field’s formal representations are seen to be ‘unbearably light’, appealing largely to ‘kitsch’, while its practical representations suggest a reality of ‘weight’ that is at times similarly unbearable. Suggesting that internal auditors play a role in actively moralizing markets, the paper offers suggestions as to how the internal auditing profession might begin to take ethics more seriously.

Keywords: Cynthia Cooper, ethics, internal audit, Institute of Internal Auditors (IIA), kitsch, Milan Kundera, virtues.

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If eternal return is the heaviest of burdens, then our lives can stand out in all their splendid lightness. But is heaviness truly deplorable and lightness splendid?
(Milan Kundera, 1984 p. 5)

With corporate scandals involving accountants regularly appearing in the headlines there is good reason to believe that the accounting profession has lost sight of its moral compass. These scandals (cf., Armstrong, Ketz and Owsen, 2003) are indicative of a moral problem (Williams 2004) that would seem to signal a failure on the part of the profession. After all, the profession is supposed to adequately and effectively regulate its members and fulfill certain ethical norms or standards in exchange for its monopoly privileges (Neu 1991, Richardson 1987). Certainly, such scandals increase skepticism among those already critical of the accounting profession's work and ethical integrity (cf., Wyatt, 2004). At the very least, it seems prudent to ask whether the field's experts possess an adequate amount of moral skill and moral will (Swartz & Sharpe 2006), since these may be like the field's other areas of expertise, potential articles of faith, assumed characteristics that demand closer investigation to separate the myth from the reality (Bédard, 1989; Neu, 1991; Paracini & Gendron 2010).

This paper adds to the growing body of work that examines the ethics of auditors (cf., Armstrong et al., Francis, 1990; Libby and Thorne, 2004; Shearer, 2002; Thorne, 1998), asking whether auditing has the capacity to be an ethical or virtuous practice, and what it means for an auditor to be ethical or virtuous in the first place. These questions are particularly worth asking in respect of internal auditors, a group whose professional goals are said to be different from their external counterparts—or so it is claimed by those trying to professionalize the internal audit function (Rittenberg & Covalleski 2001, Arena & Jeppeson 2009). The internal auditor's embeddedness within organizations (Suddaby, Gendron, and Lam, 2009) also makes this group especially prone to influence by more powerful organizational members, Chinese Walls (Gendron

and Suddaby, 2004) notwithstanding. To put this in Bourdieu's terms (1993), internal auditors are heteronomous actors working within a field of weak autonomy; they are typically more deeply immersed in organizational politics than external auditors, suggesting they are also more frequently threatened by symbolic sanctions and under greater pressure to submit to and satisfy external demands (pp. 86-7). Finally, while there exists a good deal of qualitative research examining the audit function (cf., Fisher, 1996; Gendron and Suddaby, 2004; Pentland, 1993; Radcliffe 1998, 1999, 2008), the more limited field of internal audit has received very little attention from those employing such methods (for an exception, see Everett, Neu and Rahaman, 2010). Among the few who do focus on the nuances of practice and the insights of internal auditors, even fewer challenge these insights or attempt to transcend them (Humphrey, 2001; Llewellyn 1993, p. 239).

This paper examines the internal audit function through three ethical 'lenses' (Lavoie, 1987), the Kantian, utilitarian, and virtue lenses (i.e., deontic, teleic, and aretaic ethics) (Fourcade and Healy, 2007; Pojman, 2006). Following Neu (1991), the paper also employs a multi-method approach, consisting of a three-part interview, autobiography and website analysis. This approach enables us to contrast the field's ethical representations with its reality, and examine ethics at the level of the individual and, more broadly, at the contextual level. Drawing upon a number of other studies (cf., Flyvbjerg, 2006; Funnell, 1998; Haynes, 2006; Stewart, 1997; Reiter, 1997) these elements are treated as narratives or stories, which enables us to treat them as elements in the constitution of this field, as opposed to mere reflections of it. To help develop our own research narrative (Arrington and Schweiker, 1992; Llewellyn, 1999), we turn to Milan Kundera's (1986) *The Unbearable Lightness of Being*. His dichotomy of lightness vs. weight and notion of kitsch help us to reflect upon our at times dehumanizing way of being in the world, which is a necessary precursor we think to any serious discussion of morality and ethics.

Our analysis reveals a conflict between the internal auditing profession's representations and its practice. While the profession privileges ambiguity and 'lightness' in its ethical

representations—a lightness that appeals to kitsch—we find a Kantian ‘heaviness’ characterizes both its practice and the experiences of its moral heroes or exemplars (Armstrong et al., 2003; Apostolou and Apostolou, 1997; Knapp, Louwers, and Weber, 1998; Libby & Thorne, 2004, p. 481). Certainly, this heaviness characterizes the experiences of World Com’s Cynthia Cooper, a high-profile ‘corporate whistle-blower’ (Cooper, 2008) who was required to bear a truly unbearable weight, with subsequent costs to her physical health. It is this unbearably heavy situation within which auditors such as Cooper find themselves that motivates us to question the currently ‘compromised’ (Puxty, Sikka, and Willmott, 1994) ethical stance adopted by this nascent profession. It also motivates us to offer suggestions in respect of the profession’s ethical representations and suggest ways that it can contribute to the (re)humanization of not only internal auditing, but also the practice of capitalism more generally.

Our paper contributes to the accounting literature in a number of ways. First, it adds to prior discussions of the notion of (moral) accountability (cf., Lehman, 2006; Roberts, 1990; Shearer, 2002) by highlighting the constituent elements of an ethical disposition (Bourdieu, 1998), including a number of practical virtues (cf., Armstrong et al., 2003; Francis, 1990; Jeppeson, 1998; Libby and Thorne, 2004; Mintz, 1990; Stewart, 1997; Thorne, 1998). The study also contributes to literature examining the core professional value (Suddaby, Gendron, and Lam, 2009) of auditor independence, as well as studies that have examined the changing nature of the auditing profession (cf., Arena & Jeppeson 2009; Everett, Green, and Neu, 2005; Gendron, 2001; Gendron and Suddaby, 2004; Neu, Everett, and Friesen, 2003; Rittenberg & Covaleski, 2001). More generally, the paper helps open the ‘black box of the market’s morality’ by highlighting the auditing profession’s role in actively moralizing the market (Fourcade and Healy, 2007). In so doing, the paper hopes to help rectify a situation wherein the profession is alleged to be offering ethics instruction that is of limited use (cf., Puxty et al., 1994; Windsor and Warming-Rasmussen, 2009).

The paper proceeds as follows. In the following theoretical section we lay out the ontological assumptions and the relevant research underpinning our study. We then outline our methodology, first by delineating our epistemological assumptions and then by discussing our three-part data-gathering process. Following this, we analyze our empirical material and discuss the implications of the study and recommendations that stem from it. Finally, we summarize our analysis, relate our findings to past research, and discuss a number of possibilities for future study.

Theory and Prior Research

Lightness vs. weight

Our study is informed by a set of ontological assumptions as well as prior research in the field of auditing. Key amongst these assumptions is the choice one makes regarding one's 'way of being in the world'. One interesting and innovative depiction of this choice can be found in Milan Kundera's novel *The Unbearable Lightness of Being*. Set in late-1960s Prague, Kundera juxtaposes two sets of characters, Tomas and Sabina (a doctor and a painter) and Tereza and Franz (a political photographer and a professor). The former are unmoored and unburdened moral actors who approach life in a hedonistic and ultimately self-absorbed manner; the latter see life as recurring, as heavy and burdensome ('unbearably light'), and while both Tereza and Franz are highly reflective individuals, neither are aware of how fully they have become enrolled in a 'Grand March', and a dehumanizing—and kitsch-dependent—totalitarian communist regime.

Kundera's aim is to provoke the reader into questioning which of the two approaches is more desirable or, to put this in Aristotelian terms, which leads to the life well-lived (Tsoukas and Cummings, 1997). Should we approach our lives with a weighty seriousness, as if our lives were going to be lived over and over (eternally recurring, in Nietzsche's words), or should we approach our lives lightly, knowing we only have one, very short life to live? For the egoist amongst us, the choice is clear, selfishness is the one, true virtue since lives have no real purpose

or meaning (Kundera asks, if lives had meaning, why would human history, which is so full of intolerable pain, almost always be depicted as ‘light’?). Some choose a more ‘other-regarding’ (Shearer, 2002) path, seeing life as a dense painting rather than just a sketch, and as laden with (recurring) problems that need fixing. Such people turn to various means or ‘systems’—religious, scientific, legal, etc.—in hopes of promoting, establishing, and/or protecting duties, rights and responsibilities (e.g., family and property; gender, class, and race; social, corporate, and environmental).

The fantasies, images, words and archetypes of both sets of moral actors, however, run the risk of a lapse into kitsch, as both are motivated by aesthetic ideals which have a tendency to exclude everything from their purview that is essentially unacceptable in human existence (Kundera, 1984, p. 248). Selfishness, while light, becomes cold and callous—dehumanized (witness the betrayals and infidelities of Sabina and Tomaz)—but so too does selflessness become a virtue paid to vice, as systems organized around grand or splendid marches to brotherhood, equality and justice turn into oppressive, torturous machines (*ibid.*, p. 257).

It is this latter heaviness that characterizes, in varying degrees, the work of Marx, Veblen, and Polyani, each of whom argues that capitalism promotes a particularly unpleasant form of morality (Fourcade and Healy, 2007). Capitalism, for these thinkers and their acolytes, invariably leads to envy, wants, coercion, exclusion, market populism and restrictions governing the use of creative cultural forms. Lightness, in contrast, characterizes the work of Smith, Hayek, and Friedman, and their followers. To them, capitalism promotes a different form of morality, not a nightmare but a pleasant dream, a set of virtues that fosters cooperation, makes us free, and liberates creativity and innovation (*ibid.*).

We have begun to realize that both sets of theorists are mistaken, that capitalism does not in and of itself lead to a specific moral order, good or bad; rather, markets are ‘feeble constructions’ whose effects stem from moral-cultural orders, which is to say that markets are ‘actively moralized’ by their participants, and this is done via definitions of good and bad,

legitimate and illegitimate (Fourcade and Healy, 2007). Another way of saying this is that markets are indeterminate ‘performances’, and rather than seeing them as inherently virtuous or invariably vice-ridden, researchers need to see them as ‘black boxes’ in need of opening and investigating (ibid.).

Accountants, being key players in these performance (Hines 1988; Lavoie, 1987) consequently need to be seen as intensely moral actors involved in shaping the morality of markets (Lehman, 2006; Roberts, 1990; Shearer, 2002). We approach our data with this very idea in mind, that internal auditors, as ‘pillars’ of corporate governance (Grambling et al., 2004), actively “contribute to the creation of conditions for the institution of the rule of virtue” in today’s world (Bourdieu, 1998, p. 145). They have a choice of how they wish to exercise their moral will: they may either approach the world from a position of weighty seriousness, like Kundera’s Tereza and Franz, or from a position of lightness, like Tomaz and Sabina. Whatever the choice, one needs to be wary of the dehumanizing effects of kitsch.

Tensions, changes and ethics in the field of internal auditing

A number of other considerations guide our investigation. These concern the tensions that exist and the changes that are occurring within the general field of auditing, the unique characteristics of the internal auditing field, and the morality that inheres in it.

First, research suggests that a tension exists in the auditing field between what has been variously termed a managerial and administrative logic (Meyer and Hammerschmid, 2006), a market and state logic (Suddaby et al., 2009), and the logic of consulting and logic of auditing (Power, 2003). Others see a shift occurring in the field away from fraud detection and reporting towards client confidentiality and service (Puxty et al., 1994). In this ‘reinvention of auditing’ (Jeppeson, 1998) there appears to be an increasing need for auditors to add value (Radcliffe, 1999), to the point where commentators now speak of the commercialization of auditing (cf., Cooper and Robson, 2006; Hanlon, 1994; Willmott and Sikka, 1997). In concert with this shift a

second type of change has been described, one that entails a move away from a focus on professional judgment towards a focus on rules (Bamber and Iyer, 2002), leading some to report that the field is experiencing a general deprofessionalization (Velayutham and Raman 2000) or even proletarianization (Suddaby et al., 2009).

It seems reasonable to suggest that these changes and tensions also characterize the field of internal auditing, and that they are being experienced even more acutely. While auditors need freedom to choose their goals, it must be remembered that they work within contexts wherein their outputs are brokered (Raelin, 1989a). This is to say that internal auditors work within a field of weak autonomy or, as Bourdieu (1993) would put it, a heteronomous field. Internal auditors, more than their external counterparts, are more deeply immersed in organizational politics, suggesting they are also more frequently threatened by symbolic sanctions and under stronger pressure to submit to and satisfy external demands (pp. 86-7). In Rittenberg and Covalleski's (2001; see also Spira and Page, 2003) terms, the stark commercialism found in the external field has the capacity to 'taint' the internal field, leading to new definitions of the internal auditor's work, and potentially undermining her or his cultural and moral authority. A question we have then concerns the internal auditor's relative independence, and the degree to which the practice of auditing is being compromised by organizational actors who may not share the auditor's particular moral philosophical outlook.

In speaking of a moral philosophical outlook, we are suggesting that these tensions and shifts can be interpreted through a moral or ethical lens. On the one hand, the commercialization of auditing and its neoclassical construal (Arrington and Schweiker, 1992) can be understood as motivated by a utilitarian philosophy, one that in its extreme case is highly individualistic, where the telos is individual utility maximization (ibid.) and where egoism is elevated to a paradigmatic status (Fourcade and Healy, 2007). In its less individualistic manifestation auditing can be seen to be more traditionally utilitarian. In such cases auditing subscribes to a form of act utilitarianism, or a morality based on the comparative consequences of available actions, where

the ultimate criterion is the maximization of the nonmoral value that results from a given act (Pojman, 2006, p. 110). Here, an auditor would be primarily inclined to ask whether her or his work ‘adds value’ to an organization. Yet auditing can also be seen to be subscribing to a form of rule utilitarianism, which suggests that the rightness of an act is a function of its ability to conform to those rules most likely leading to a desired result (ibid., p. 121). Here one focuses primarily on whether auditing adheres to a set of *results-oriented* rules, such as ‘always focus on growth and the minimization of cost’. Either way, it appears that the value of auditing is seldom premised on the features of the act of auditing itself; that is, auditing’s ‘intrinsic value’, which would be the case if auditors adhered to a strictly deontic or Kantian moral philosophy.

But again, auditing does not appear to align itself with a pure form of utilitarianism, as utilitarians such as Hume, Bentham and Mill promote *general* human flourishing and the amelioration of suffering (ibid.). Indeed, today’s auditor, much like her or his modern economic (neo)liberal counterpart, can be seen to be promoting a much more individualistic telos, one that is largely egoistic or premised on doing what is best for the auditing firm, if not the individual auditor her or himself (Cooper and Robson, 2006; Hanlon, 1994; Puxty et al., 1994; Willmott and Sikka, 1997). To bring this back to the Kunderian dichotomy of lightness/weight, today’s auditor is somewhat like Tomaz and Sabina, light and self-regarding, yet at the same time also like Terez and Franz, at least in so far as they are characterized by a deontic heaviness or inclined to adhere to *prima facie* principles, such as the categorical imperativeⁱ more broadly (and if only implicitly), or auditing principles more narrowly. Being motivated by a deontic philosophy, the concern is *not* with the maximization of utility or even the pragmatic consequences of adhering to any given set of principles.

In considering the ethics of auditing it is not enough to focus only on the practice of auditing; it is also necessary to consider the ethical character of the auditor her or himself. One need ask about the type of person or character most valued in the field of audit (Francis, 1990). Such a question may be of little concern to the utilitarian (teleic) or Kantian (deontic) ethicist, but

it is not to the virtue (aretaic) ethicist. And while virtue ethics focuses on the character of the person, one need also emphasize that person's thoughts *and* actions, intentions *and* behaviours (Armstrong et al., 2003). The virtuous person is one who thinks and more importantly acts in a virtuous way. By virtues, we are talking of a multiplicity of traits, traits that are discovered in practice (Francis, 1990). Finally, it is also important to note that a virtuous person is one who exhibits the appropriate amount of a given trait at the appropriate time in the appropriate place, neither too much nor too little, since deficiency and excess are both vices (Crisp, 2010).

There are many problems in focusing only on moral actions and adopting a strictly rules-based Kantian or utilitarian ethics, not least of which is that rules-based systems lack a motivational element, overemphasize the principle of autonomy, and neglect the communal context of morality (Pojman, 2006). As a corrective, virtue ethicists such as Alisdair MacIntyre (1984) turn our attention towards the person doing the acting. Yet MacIntyre's approach may be too particularistic (Smith, 2003), and he may be conflating the context within which virtues are discovered and the context within which they are justified (Pojman, 2006, p. 175). While the virtues may be discovered in a particularistic or contingent manner, that doesn't necessarily make them context-dependent. Our moral obligations could well apply to all people in all communities (*ibid.*; see also Shearer, 2002). Consequently, while Francis offers a list of what he sees as accounting-specific virtues, we cannot help but see some virtues as being important to auditors *qua* human beings, and we think five such virtues are particularly important: courage, justice, temperance, compassion, and wisdom. Derived from the work of Richard White (2008), who synthesizes the ideas of Plato, Aristotle, Hume, Kant, and Nietzsche, these five 'radical' virtues together offer us a means of answering the essential question, *how should a person—including the internal auditor—live?*ⁱⁱ (We leave White's discussion of the basic objections to virtue ethics and his response to these objections to the interested reader.)

The first of these virtues, temperance, is in its most basic sense about humility and moderation. Temperance means acting with self-restraint, self-abnegation, and self-control, while

not lapsing into negative self-denial, self-hatred, or the mortification of the will through guilt (White, 2008, p. 44). Temperance is about acting in proper measure, and this requires an awareness of one's limits and an attunement with ourselves and the world (ibid., 45). It is about not giving in to our (selfish) animal desires, or the exuberance of life, and knowing how to cultivate a proper relationship with our physical nature. As Foucault would have it, it is aiming to achieve 'self-mastery', or 'care of the self' (ibid., pp. 46, 49), an 'aesthetics of existence' that 'assures one of a name meriting remembrance' (Foucault, 1984, pp. 92-3). Living life too lightly or too heavily, in this regard, is a vice.

Justice, in contrast, is about doing what you are supposed to do, giving to each what you owe, and not having or wanting more than one's fair share (White, 2008, pp. 74, 81). This is a 'master virtue,' one that has over time been deemed so important it has become the subject of a discipline, law (p. 75). However, the universalization of justice-as-law has led many to equate justice to merely 'following the law', and where that law is oriented toward the preservation of property relations (important for Hume and his followers), justice has been reduced to a public utility (pp. 85, 87). It has also led many to create a questionable distinction between 'justice' and 'virtue', to see the two as rivals (O'Neill, 1996, p. 2). Breaking with this arbitrary distinction, justice can be seen as both a personal virtue *and* an abstract principle (ibid.), and it need not be seen in strictly subjectivist terms, as 'that which accords with the law' (which is the approach of Rawls, Hume, and the rational choice theorists) (White, 2008, p. 89).

Justice can be viewed in a more realist sense, possibly as a 'natural' inclination to concern oneself with what is fair or equitable (ibid., p. 85). In so doing, the term becomes more concrete and meaningful: the unjust man *is* a greedy man; the core of injustice *is* selfishness (p. 81). Here, justice is seen as a function of a primal or innate sense (on the widespread and universal nature of the inequity response, see Brosnan [2006] and Bekoff & Pierce [2009]). It is this master virtue, justice, that motivates some to speak out and not remain passive, such as White, who reminds us that 30 million people die each year of hunger on the planet, 800 million live in extreme poverty,

and the richest one-fifth of the planet receives over 90% of the world's income (2008, p. 96). It is this virtue that also motivated Marx to imbue his writing with a moral overtone, despite his inclination to label values as derivative features of the *status quo* (p. 97). Of course, appeals to justice, as mentioned earlier, can also lapse into kitsch.

White asks whether we can really believe in justice if we do not have the courage to defend it. Mustn't one remain 'in a state of virtuous resolve', as Kant put it, if one is to carry out what one sees as her moral duty (2008, p. 13)? Courage is required, and courage is not just about 'rising to the occasion' or 'standing one's ground'; it necessarily occurs amid fear and dangers (p. 24). The courageous person is by definition a fearsome one, a person who would not ordinarily choose to act unless there was a very good reason (p. 15). Besides distinguishing between courage and recklessness (or rashness, which entails an absence of fear, or pure lightness), White also draws attention to the manner in which courage has come to be seen as a largely masculine trait. We tend to have a heroic or manly conception of courage, he observes, a conception offered to us by the likes of Emerson, for whom courage was wild and stoic (p. 28). There is also a more feminine-type of courage, he says, embodied by pacifists, people like Aung Sun Soong Kyi, Ken Sara-Wiwa, and Martin Luther King (pp. 16, 34-35).

For White compassion is yet another 'natural' feeling, being an 'affirmation of another's ultimate value', and a 'sorrow for suffering combined with a desire to alleviate that suffering' (2008, pp. 106, 113). This impulse to act is sometimes confused with sympathy, empathy, or pity, but is more encompassing than sympathy and empathy and does not connote the sense of superiority of someone who pities (*ibid.*, p. 107). Compassion recognizes the moral standing of the other, our fundamental moral obligation, as well as the other's intrinsic value, to put it in Shearer's (2002) terms. This 'preeminent virtue' was actually an (unmanly) vice for the Stoics, Kant, and (especially) Nietzsche, because it was seen as weakening one's self-mastery, potentially blinding one to principle, and standing in the way of self-overcoming (White, 2008, pp. 105, 110, 113). For the likes of Rousseau and Schopenhauer, however, it was an original

virtue, and for the world's roughly 350 million Buddhists, it remains a fundamental virtue. The Christian ideas of charity and love (agape), speak to this idea of committing oneself to the well-being of another. Further pointing to the importance of this virtue, Killinger (2007) argues that integrity, an often-mentioned trait of the professional accountant (Everett et al., 2005), is not possible without compassion.

The last 'radical' virtue White examines is wisdom. While it is relatively easy to identify those who have embodied this virtue—the names Socrates, Confucius, the Buddha, and Jesus come to mind—defining this term is somewhat more difficult (White, 2008, p. 135). Swartz & Sharpe (2006, p. 386) speak of wisdom in the context of 'knowing what to do' (skill), adding that one must couple that knowing with a desire to do it (will). Maxwell's (2007) definition captures this dual sense: wisdom is "the desire, the active endeavor, and the capacity to discover and achieve what is desirable and of value in life, both for oneself and for others" (p. 79). White (2008) echoes this definition, pointing to the Greek ideas of *sophia*, which involves the knowledge of first principles and the ability to apply them, and *phronesis*, which involves the ability to deliberate on what is good (p. 137; see also Flyvbjerg, 2006). White further emphasizes that the term implies 'living life in the right way', 'having a grounded sense of what is important', and 'making good judgments and choices about how we should live' (p. 137). He also suggests that wisdom has three characteristics: *reflection*, on the value of what is given and its ultimate significance; *integration*, or a concern with the whole of things and their inter-relationships; and *thoughtful awareness of others*, an 'emotional intelligence' that recognizes the continuity between our lives and those of others (pp. 140-142).

Once again, we recognize that there is a danger in essentializing and 'universalizing' these five virtues. As Bourdieu (1998, p. 143) observes, appeals to universal values are often indicative of attempts to legitimize one's position, especially in the case of "political struggles for the monopoly of symbolic violence, for the right to say what is right, true, good, and to define all so-called universal values, where a reference to what is universally just can be the most important

weapon”. Such appeals can lapse into kitsch, but that does not mean that objective virtues do not exist, rather only that appeals to virtue can be self-serving and often cynical.

To summarize our theoretical framing, there are different ways of being in the world, and this is no less true for auditors than it is for Kundera’s four characters and even ourselves. Auditors too can choose between being more or less ‘light’ or ‘heavy’, more or less concerned with themselves or distant others, and more or less concerned with such notions as justice, courage, compassion and the like. Moreover, their choice—to the degree they have one—will have an effect on the morality of their work, and consequently the morality of the market, as opposed to becoming a deterministic (dreamy or nightmarish) effect of it. Of particular interest for this study are the ethical tensions and virtues that exist in the field of internal audit. Is this field largely ‘light’, meaning individualistically utilitarian, or is it more ‘heavy’; that is, are auditors largely rules-, duties-, and principles-bound? Also, are the five radical virtues that we identified manifested in this field? If so, are they ‘appropriately’ manifested and are they manifested in both thought *and* action—appropriateness and action both being key elements in virtue ethics (Crisp, 2010; Pojman, 2007)? In an attempt to answer these questions, we will turn to our three sources of data. However, we first need to lay out the epistemological assumptions underpinning our study and outline our research protocols.

Methodology

Our investigation is premised on an explicit blending of instrumental- and value-rationality, an approach that falls under the rubric of phronetic research (Flyvbjerg 2006; Morgan & Cooper 2008). This approach explicitly asks us to consider where as accountants we are going, whether the direction we are going is desirable, and, ultimately, what should be done (Flyvbjerg, 2006). Rather than simply pursuing ‘knowledge for its own sake’ or producing research that ‘yields commercial results’, as applied knowledge is often understood (especially by government policy-makers [Atkinson-Gros-Jean, 2006]), our research approach is oriented towards

'humanity's problems of action' and knowledge aimed at those things "of value to us in life" (Maxwell, 2007). Following Bourdieu, (and wary of appeals to kitsch) we are even inclined to say we have "an interest in virtue, disinterestedness, and devotion to public service and the common good", as well as the creation of conditions "for the institution of the rule of virtue" (1998, pp. 144-5).

We also employed a narrative approach to examine both the context and details of auditors' moral thoughts and actions (Stewart, 1997). This means viewing their representations as important 'stories' (Reiter, 1997) that aid in the construction of the auditor's professional identity, an identity that in turn is seen to drive action in the field. Speech and writing comprise the stories that one tells one's self and others about one's life. They are artifacts that enable a sense of self and a sense of our relationships to others (Haynes, 2006, p. p. 402). To paraphrase MacIntyre, narratives also provide us with a "forward glance, helping us to anticipate situations before we encounter them, allowing us to envision alternative futures" (in Flyvbjerg, 2006, p. 380). Further, and rather than taking the words of social actors as representative of reality, we view the stories of social actors as 'interested discourse' (Funnell, 1998, p. 151) and so approach these stories with suspicion.

A key concern in analyzing narratives is in the way the self and its relations to others is 'storied' (ibid.). Yet, while narrative influences our identities, it doesn't determine them, which is to say that social actors are not cultural dopes whose identities are solely determined by their environment or the language that they use (but then neither are they the rational calculators or mechanistic decision-makers that some management theorists might have us to think). That said, social actors are affected in varying degrees by the social, cultural and political practices around them (Craig, Garrot and Amernic, 2001), and for this reason it must be kept in mind that while narratives provide a means to privilege certain accounts of the past, they also exclude others, thereby 'denying those others a voice in the present' (Funnell 1998, p. 144).

It should be acknowledged that a narrative approach is neither epistemologically nor morally-relativist. Rather, our approach is based on the idea that qualitative research maintains certain standards of quality, including coherence, and logical consistency (Llewellyn 1999; Chua 1986). We used these criteria as guidelines throughout our study, and we relied on other narrative-based investigations that have fruitfully employed this approach (cf., Funnell, 1998; Haynes, 2006; Llewellyn 1998). With these methodological considerations in mind, we now turn to the data-gathering process underpinning our study.

Data Set 1: Interviews

Our approach is multi-method (Neu, 1991) in that we gathered and analyzed three different types of data: interviews, an autobiography, and a website. The first was intended to provide a *general* understanding of the current context of the internal audit function and the changing roles of internal auditors. Consequently, we conducted interviews with two auditors, an audit committee member, and one finance manager. These individuals are all persons of our acquaintance and all hold a professional accounting designation. At the time of the interviews, the first interviewee was a partner in a medium-size chartered accounting firm who has offered internal audit services for over 20 years and is considered an international expert in the field of internal audit. He was also an active member of the Institute of Internal Auditors. The second interviewee was an audit director for a government agency with prior experience in external audit in the private and public sectors, while the third was the president of the audit committee of a public corporation. Finally, we interviewed a finance executive of a publicly-traded company. The interviews, carried out in March and April of 2008, lasted 65 minutes on average and were semi-structured in that we allowed interviewees to express themselves according to their own interpretive schemes.

We began each interview by describing the objective of the research and emphasizing that complete anonymity would be provided to the interviewees and their employing organization. In

accordance with Patton (1990), we also sought to be perceived as empathically neutral during the interviews, caring about people's fate while attempting to take a neutral stance toward emerging content. Among the most critical issues discussed with the respondents was their perception of the virtues of internal audit on an individual and collective level. We also enquired into the interviewee's background (e.g., professional career and involvement with internal audit); viewpoint regarding changes in the vocation over the last several years; positive and negative impacts of internal audit activity; and possible ethics-related explanations of these impacts.

Interview transcripts were analyzed using qualitative procedures (Miles & Huberman, 1994) through a coding scheme developed while reading the transcripts to increase the data sensitivity. Subsequently, a conceptual matrix was prepared for each interview to summarize the main themes discussed by interviewees. Recurring themes in interviews were then brought to light and evaluated.

Data Set 2: Autobiography

Our second component was aimed at examining ethics and virtues at the individual level, and we were interested more in focusing on an anomaly or, better, a 'virtuoso social and political actor' (Cooper and Morgan, 2008, pp. 162-163) than an average or 'normal' individual (to the extent such a person exists). A number of sub-genres of narrative research that have begun to emerge in the accounting literature suggested that our examination could be based on the analysis of an autobiography. For example, Matthews (2000), Carnegie & Napier (1996), Spruill & Wootton (1995) and Parker (1984) closely analyze the accounts of practitioners and historic figures as these appear in a variety of biographical materials. Haynes (2006) builds on this tradition but turns the analytic lens back upon herself, analyzing a set of reflections gathered over the course of her life and ultimately presenting herself as a 'storied being' (p. 407).

In this paper, we similarly examine biography as a means of better understanding storied being, in this case turning the analytic lens on the ethical and moral being of Cynthia Cooper, the

ex-Vice President of Internal Audit of World Com. In 2002 Cooper was the head of the corporate group that investigated and unearthed the World Com fraud. Deciding to step forward, Cooper began the ‘journey of a corporate whistle-blower’, which is the subtitle of her recently-released 400-page account of the events leading up to and following the debacle. A *Time Magazine* 2002 Person of the Year, 2004 inductee into the AICPA Hall of Fame (the first woman), recipient of the 2003 Maria & Sidney E. Rolfe Award of the Women’s Economic Round Table, and winner of the American Accounting Association’s 2003 Accounting Exemplar Award, Cynthia Cooper can arguably be considered an ‘exemplary accountant’, if not an ‘heroic’ one. For one, she has been admired for her courage and has displayed extraordinary conviction to doing the right thing (Apsotolou and Apostolou, 1997) and she has risked and sacrificed external goods in the process, which is why we think she might warrant these titles (see also Armstrong et al., 2003; Libby & Thorne, 2004, p. 481). If nothing else, her account offers insights into what one high-profile internal auditor deems to be ethical or virtuous practice.

Data Set 3: Website

Just as the spokespersons of a professional group promote a particular worldview (Gendron and Suddaby, 2004, p. 102), and just as websites also do this (Craig et al. 2001), the website of the Institute of Internal Auditors (IIA) promotes a particular worldview. We thus turned to the IIA’s main webpage (www.theiia.org) to learn about what some of the field’s official spokespersons believe to be ethical or virtuous practice. Here, our aim was to contrast the field’s realities with its official representations. More practically, we also wondered if the website is comprehensive enough to offer guidance to individuals such as Cynthia Cooper, who might be seeking such guidance from the profession when confronted with a serious personal dilemma.

While one can follow numerous pathways on the webpage, the one that most interested us was the route to ethics instruction and guidance. Consequently, once at the website’s main portal we entered the search term ‘ethics’. We were then directed to a page asking us to enter a member

i.d. and password. After entering this information, we were offered a list of documents, one of which was entitled ‘ethics’. However, upon clicking the link to this document, we were met with a message telling us that the page we were trying to access was restricted. Luckily, after a bit of searching we were able to locate a number of documents that contain information and guidance on ethics. Foremost amongst these was a document entitled *What does it take to be a professional?* The other documents we analyzed included the IIA’s *Code of Ethics*, *The Definition of Internal Auditing*, *Organizational Independence*, *Individual Objectivity*, and *Impairment to Independence and Objectivity*. We further searched the term ‘whistle-blowing/whistleblowing’ and found a practical advisory entitled *Communicating Sensitive Information Within and Outside the Chain of Command*. Our analysis is limited to these seven documents.

Analysis

The Ethical Context of Internal Auditing

According to the website of the IIA, internal audit is “an independent, objective, assurance and consulting activity designed to add value and improve an organization’s operations...”. This definition, while admittedly vague, suggests that internal auditing has a narrow, organization-focused, utilitarian telos. By highlighting value and organizational improvement, it suggests the auditor’s role is to assess the comparative consequences of available actions, and take as their ultimate criterion the maximization of the nonmoral value that results from a given act (Pojman, 2006). Yet, our interviews suggest that adding value is not the only role of internal auditors, that in fact their guiding philosophy might be rather ‘heavier’, or more deontic and duty-bound in practice, than is being suggested by the IIA.

In listening to internal auditors speak of their work, it would appear they take the role of detecting irregularities and controlling dysfunctional behaviours somewhat more seriously than consulting with management or ‘adding value’ to an organization. Their role seems as much if

not more coercive than enabling (Adler and Borys, 1996), aimed more at obtaining compliance than partnering with management. While we were limited by a very small sample, our respondents suggested that a top-down approach characterizes this field, and that a policing role has been adopted in order to catch people at fault. In such a role, auditors effectively serve audit committees by being their eyes and ears and by providing assurance regarding compliance with laws and regulations (Gramling et al., 2004). And just like the Czech secret police, their role is 'classical', keeping an eye out and reporting to their superiors (Kundera, 1984, p. 163). One of our respondents highlighted this 'heavy' duty-bound, compliance orientation:

The internal auditor must report to the audit committee, who is driven by compliance needs, if you are doing too many consulting mandates, contrary to the committee's demands, you will have to justify yourself.

That internal auditors are often burdened with detecting problems is neither missed by auditors themselves nor particularly appreciated by non-auditor organization members. In regards to the latter, our finance executive told us:

Internal audit has a pseudo-policing role, whose main function is to ensure financial compliance. They are a necessary evil. I'm not happy with them coming in because they have no added value to my work as a manager. I do recognize it as a necessary evil. They can't make your job better but they can make it worse if you get a bad report.

And later the same respondent stated:

Internal auditors do not have any inherent interest in profitability...their goal is not to make things more efficient but to comply. They tend to focus on aspects they view as risk but it's a question of judgment. I find them to be too conservative; we have pressure to perform and our bonuses are related to profit targets, not compliance, not theirs.

Reflecting on their at-times pariah status, one auditor (speaking in the context of government auditing) said:

...you need to be a good collaborator, be nice to the people in power and not create conflicts. Disagreeing with management is seen as being disloyal and therefore as an internal auditor you would be removed from your functions.

In this way internal auditors are decidedly not like the Czech secret police, since they do not fulfill an intimidatory function, trying to make people feel afraid (ibid.). On the contrary, as our internal audit director put it quite metaphorically, they ultimately wield little power:

Board members and CEOs stay on board typically 3 to 5 years...they are normally scared to put management in a bad position or wish to remain in the good graces of the political instances who have sanctioned them to their current position, which makes me think of the classical tale where an Emperor parades around in new invisible “clothes” and no one says anything because everybody thinks that if they cannot see the clothes it is because they are stupid, ignorant or insane, or at least, that others will think they are. The charade continues until a child exclaims: ‘The Emperor has no clothes!’ As an internal auditor, I feel like no one wants to hear the truth and that if I do come out and say something I will get kicked out of the emperor’s court, he will hire a consultant who is more easily manageable!

It may be however that the context of internal auditing is changing. This heteronomous field appears to be increasingly focusing on a different set of objectives, namely, to provide greater support to management. The premise of this enabling logic (Adler & Borys, 1996) is that auditors should seek to integrate repair processes within the audit. Interviewees labelled this practice a ‘participative approach’, since the auditee is allowed to intervene and limit the scope of reporting to governance actors. This layered access to information is defined as ‘internal transparency’, and is captured by our internal audit director:

As we audit, we give management and employees a chance to fix what needs to be fixed and the report that goes to management is one of compromise where electroshocks have been removed. It’s like a Christmas wish list where we would say I want this, I need that, I require this, I would like that and what goes up to the audit committee consists of Merry Christmas and Happy New Year.

The role of the auditor in enabling audits is to influence without having to visually demonstrate the entire scope of her or his influence to the audit committee. As our finance executive put it:

The advantage of having an internal audit function compared to the relationship with the external auditor is that they are more subtle; they allow me to save face but influence my practices in the long term. They stay in the company and want a job elsewhere or just to have a good relationship so they give me time to implement their conservative views and judgments.

This type of reporting requires that a political balance be struck between management and directors, without sacrificing one or the other. As our internal audit consultant stated:

There are three ways of practicing internal audit: management can do an auto-evaluation of their risks and controls, the auditor can do his own evaluation or we can combine them, which is what I call a participative approach. We have them [management and employees] on board from the selection of the audit to the

planning and through to the report. This way assures us recommendations are valuable to management and focussed on important key issues.

This 'third way' is still somewhat at odds with the IIA's lighter, more management-friendly vision of internal audit. That vision (www.theiia.org) is based on an aesthetic ideal that normatively suggests that:

Internal auditors are, to a great extent, key to an organization's success in today's business world...involved in reviewing an organization's processes, operations, and goals. They provide objective, independent, professional advice to all levels of management and pave the path toward continuous improvement. The purpose of internal audit is therefore to review and assess, independently, management practices, including controls, in major financial, administrative and operating areas and to recommend improvements wherever beneficial. These reviews are designed to help managers achieve their business objectives by identifying weaknesses or opportunities to improve the overall economy, efficiency and effectiveness of departmental management practices.

This vision is consistent with a pure, enabling image of internal audit, and depicts the internal auditor as a superiorly-skilled individual with a large spectrum of capabilities:

Sitting on the right side of management, modern-day internal auditors are consulted on all aspects of the organization and must be prepared for just about anything. They are coaches, internal and external stakeholder advocates, risk managers, controls experts, efficiency specialists, and problem-solving partners. They are the organization's safety net. It's certainly not easy, but for these skilled and competent professionals, it's all in a day's work.

What we find particularly interesting is that among this list of desired character traits, there is little mention made of the actual types of traits that might make an internal auditor 'professional', at least in the sense of possessing some specific set of ethical or moral skills. We wonder too what kind of person it takes to successfully carry out a career that sometimes requires that person to take on a policing role, which can lead him or her to have a pariah-like status in the organization, and an enabling role, which demands loyalty and trust. Rather than following Libby and Thorne's (2004) approach, and studying a variety of 'normal', individual auditors, learning about their ethics and virtues in the process, we focus on a single, high-profile auditor, an anomalous actor or outlier (Cooper and Morgan, 2008), at least in so far as this individual blew the whistle on a multi-billion dollar fraud. We wonder too about the ethics and virtues that

such a person espouses and appears to embody. In so doing, our hope is to draw out a (virtuoso) auditor's ethical 'voice in the present' (Funnell 1998, p. 144).

The Virtuous Internal Auditor

Cooper's autobiography provides a rare glimpse into the reality of practice, yet it also highlights the costs that a practicing auditor can at times be forced to pay. Before highlighting these costs, however, we consider Cynthia Cooper, the 'corporate whistle-blower', in light of the five radical virtues we identified earlier. These virtues are not meant to be exhaustive, but only to provide 'perceptual capacities' or reliable sensitivities to attenuate us to matters of real importance (O'Neill, 1996, p. 79). At the very least, employing these concepts enables us to learn something about the 'things of value' (Maxwell, 2007, p. 79) of one notable, accounting practitioner.

The first virtue we outlined earlier is temperance, and Cooper's (2008) narrative suggests she highly values this virtue. She talks about the tempering influence of her father (p. 16), for example, and she sees modesty as a virtue (p. 118). Her modesty is reflected in her predilection for conservative suits and bow ties (p. 44), and references to the need to 'play it safe' (p. 78) and 'not take any chances' (p. 269). As a temperate individual, Cooper had difficulties adjusting to the ritualistic demands placed upon her and other young accountants to gather and go out drinking, not knowing the proper drink choice and only having 'had alcohol' a few times (p. 43). Her account is also noticeably absent of profanity, despite its pervasiveness in the workplace (Bell, 2005). In recounting a couple of instances where such language was used, Cooper carefully blocks out the offending words and substitutes in their place the term 'expletive' (pp. 195, 221). Considering herself 'circumspect and reserved' (p. 93), she further valorizes this trait in others (p. 18), at one point invoking the name of that icon of capitalist temperance, Warren Buffet (p.171). (That Buffet, considered to be one of the richest persons in the world, drew only \$175,000 in remuneration in 2008 [<http://www.equilar.com/>] seems indicative of this virtue).

The number of allusions or references in Cooper's account to what one might define as the second virtue, justice, is only slightly greater than that of temperance. Cooper names justice in her account (pp. 330, 336, 365), and notes that justice is not necessarily a function of what is legal (p. 365). She provides personal examples of injustice, puzzled when she was laid off despite having strong performance reviews (p. 47), seeing it as unfair when women have to do more than merely excel in the work place (pp. 142-144), and being unhappy seeing talented people stuck in a job (p. 145) or feeling compelled to prepare for court and show up in a professional manner, even though she was not feeling well (p. 328). She saw Bernie Ebbersⁱⁱⁱ as being initially just (p. 35), and was struck by the disparity in sentencing in the WorldCom trial (p. 356). She also felt the need to mention the fact that a great deal of money was made by executives when the telecom bubble burst, and that investors lost their money (p. 200). Also significant, Cooper speaks out about issues of equal opportunity and racial reconciliation in her home state of Mississippi, even though these issues do not have a direct bearing on the rise and fall of WorldCom or Cooper's decision to whistle-blow and the events that followed. Unprompted, and perhaps somewhat 'inconvenient' (White, 2008, p. 95), her account contains an aside on poverty in Mississippi, the achievements of African Americans, and Cooper's 'eager interest' in learning more about the problems of racial segregation in the United States (pp. viii, 31, 316, 317, 329). However, even more significant was Cooper's decision to step forward and bring the WorldCom fraud to light, a decision that appears to be a function of the author's sense of what is right and fair (Killinger, 2007).

Examples of Cooper's courage and allusions to this notion are much more numerous than those of temperance and justice, leaving one with a sense that the author is courageous, or at least sees herself as such. This virtue, we are told, was imparted to Cooper by her mother and grandmother (pp. 13, 19) at any early age (p. 47), and it appears to have emboldened the author: "the only thing Bernie can do is fire me", she says at one point (p. 118), and later "the worst Scott can do is fire me" (p. 205). While these are not the words of a person who is crushed by the

heaviest of burdens and who needs certainties, or whose time ‘turns in a circle’ (Kundera, 1984, p. 298), neither is Cooper exactly free and imperturbable. She may explicitly name courage more often than the other virtues (pp. 14, 296, 366), but it is clear that the author was regularly fearful, scared (p. ix), her hands often trembling (pp. 243, 281) and heart racing (p. 245), with danger, dark clouds, and crisis regularly looming nearby (pp. iii, 204). And amidst her account of what she often describes as a nightmare (pp. viii, 267, 284) she invokes the 23rd Psalm, a passage that suggests that even strength and courage alone are sometimes not enough for the troubled internal: “Yea, though I walk through the valley of the shadow of death, I will fear no evil; For thou art with me” (p. 284).

Notably, she also recognizes courage in others, despite those others’ obvious ethical lapses, commenting on Bernie Ebbers’ ‘nerve’ and ‘willingness to take risks’ (pp. 33, 35, 36, 52), though it may be more correct to call Ebbers ‘reckless’ (p. 183). Similarly, she admires analyst and investment banker Jack Grubman’s ‘assertive, gutsy style’, a character willing to say that ‘the emperor wore no clothes’ (pp. 86).

It is compassion however that is most obviously manifested in Cooper’s account, and this virtue is named by Cooper, and often (pp. 20, 116, 134, 193, 194, 336). Numerous instances of her ‘sorrow for the suffering of others and desire to alleviate that suffering’ are found throughout. She concerns herself with others in general, from her mother and her Uncle Jim to other pregnant women and the victims of war (pp. 24, 31, 35, 61, 199; see also 178, 306). She also concerns herself more specifically with those who suffered the consequences of the WorldCom fraud, including investors (p. 2) and, particularly, the company’s employees (pp. x, 2, 9, 10, 285, 296, 321, 324).

Her affirmative attitude towards life is also undiscerning, extending to the ‘evil, criminal, and tyrannical’, the mark of a truly compassionate person (White, 2008, p. 118). Among other examples, she recognizes hope and sadness in Bernie Ebbers, Jack Grubman’s difficult past, and Scott Sullivan’s loss of appetite (pp. 85, 262, 335; see also 32, 285, 336, 354). “All of the people

who participated in the fraud”, she says, “were basically good people” (p. 363). Her compassion even extends to the relatives of those orchestrating the fraud (pp. 299, 351), as well as the jurors presiding over the case (p. 352).

Cooper is further quick to recognize those who engage in charitable giving (which is only one aspect of Christian charity). These range from the mythical Good Samaritan (her favorite Bible story) (p. 20), to the historical figure Oseola McCarty (p. 164), to her grandmother Nannie (pp. 150), to the most frequently mentioned philanthropist in her account, Bernie Ebbers (pp. 117, 134, 167). Cooper’s account itself could be deemed an act of charitable giving: she states that she wants to share her story because she thinks it will help others, that it will encourage others to ‘put themselves in the shoes of others’ (pp. 311, 360, 361, 362). On top of this, she admires those who ‘reach out to help others succeed’ (p. 80).

Regarding the final virtue, wisdom, the author is certainly reflective—her memoirs being an indicator of this—and she thoughtfully concerns herself with others, as the above section on compassion demonstrates. Cooper also offers up a number of observations in the book that are suggestive of an ability to integrate, or see the bigger picture. For instance, she seems well aware that ethical transgressions often involve an ‘imperceptible slide’, starting off small and getting larger over time (pp. x, 1, 3). She further understands the importance of the ‘tone at the top’ in an organization (cf., Eaton & Weber, 2008, p. 32). Her moral skill (Swartz and Sharpe, 2006) is also apparent, noting (in the fashion of Kohlberg) that ‘the legal and the ethical are sometimes different’ (Cooper, 2008, pp. 78, 365). More generally, she speaks of the inevitability of change and adversity in the world (pp. 13, 150), the fact that tragedy and suffering are part of life (pp. 284, 286) (Buddhism’s ‘1st noble truth’), and that adversity can make us stronger (p. 361). She also sees wisdom in the Golden Rule, which reminds us to “make sure we treat other people the way we want to be treated” (pp. 17, 20).

In terms of her practical work-related wisdom, she also identifies a general lack of support for the internal audit function, a concern she notes in a number of places (pp. 161, 171). She

notes as well that auditors sometimes act more like client advocates than independent auditors (p. 297), and she is concerned with the disappearance of the ‘Chinese Wall’ that once separated investment banking from financial analysis, a problem, we are told, that the SEC has done little to discourage (pp. 150, 151, 188). Moreover, she demonstrates an extensive understanding of the problem of whistle-blowing, and that fact that it is one of the most effective ways of detecting fraud, better even than relying on audit (p. 297; see also Wells, 2007).

However, the expanse of her wisdom is limited, at least in terms of her ability ‘to make good judgments and choices about how we should live’ (White, 2008, p. 137). Specifically one has to wonder about the wisdom of whistle-blowing in an environment that offers so little in the way of protection, and that is so quick to associate these unlucky individuals with terms such as ‘frivolous’, ‘Machiavellian’ and ‘axe-grinders’ (cf., Bowen, Call, and Rajgopal, 2010). Cooper has had to deal with serious consequences, and she recounts the experiences of both herself and others who have blown the whistle. These include loneliness (even when you are cast into the public spotlight), demoralization, humiliation, and a number of very real physical costs, including loss of sleep, sickness, depression, and alcoholism (pp. 283, 286, 312, 328). Fellow employees became angry with her, executives conspired against her, she feared for her safety, her home, family, and savings as the case dragged on for years (pp. 302, 303, 304, 312). The professional association appeared to offer nothing in the way of assistance, leaving Cooper the responsibility of educating others about what can (will) happen, warning them that no one has a positive story to tell (pp. 313, 314). Her aspirations as an internal auditor died along with her moral innocence, and the business world that she had so much hope for and faith in ultimately showed itself to be a very cold, hostile and ‘weighty’ place.

Cooper’s aesthetic ideals also at times tend towards kitsch. She appeals to the great American dream and the rag-to-riches myth, and does so more than once (pp. vii, 85). This myth provides a powerful justification for hard work and for reaping the material rewards of that work, and this would explain Cooper’s quasi-fixation on earnings, personal wealth, and power-status.

Indeed, it seems the auditor's world is not a realm of compassion, but one of cruelty. By the author's own admission, the hours are long, emotion must be separated out, tough skin is needed, careers are to be pursued at the expense of families, hearts are cut out ('in a business sense'), layoffs occur ritualistically—or for no reason at all, and people are a means to an end in this 'churn and burn' world where one is *expected* 'to be Stoic' (pp. ix, x, 43, 46, 48, 61, 64, 109, 116, 147, 211). Yet, despite Cooper's awareness of what is very much the 'spirit of the times' (Badaracco, 1997, pp. 100-101), and despite her references to her 'resentment' of the long hours (p. 66; see also pp. 163, 165), nowhere does she see the very uncompassionate nature of this world as a problem *per se*, that it might in fact be the source of the problem (Killinger, 2007). Rather she quietly and stoically accepts it, even continuing to speak encouragingly of it (p. 103).

Cooper's buy-in to the American dream and her ambivalence in respect of 'great wealth' (p. 64) explains further why she is so hesitant to criticize the greed and avarice that was so obviously surrounding her. While Ebbers may have given millions away to charity and local causes, he also amassed thousands of millions more, and was not beyond a conspicuous display of wealth, owning, among other things, a 500,000-acre ranch and a 132-foot yacht (which he christened the 'Acquisition'). Yet, we are repeatedly asked to see Ebbers as worthy of our sympathy. Little too in the way of substantive, *impassioned* criticism is directed towards those who cashed in on the telecom bubble, or the egregious wealth that was amassed by members of the investment banking industry, even though Cooper felt the need to draw our attention to these things.

Cooper appears not only reliant on the kitsch of an American rags-to-riches dream, but also to a powerful moral truth—she is a devout Christian—and this truth might be making her acquiescent on the one hand, and rigid on the other. Her moral truth makes her acquiescent because it teaches her to be *excessively* modest, temperate, to "not resist an evil person" and turn the other cheek (Matthew 5, 38-42). And so her account is safe, and presents no real challenge, at least not the type of challenge that history's great figures of wisdom present to us. Those

figures—Socrates, Jesus, Gandhi, Martin Luther King Jr. and others—are remembered because they were not only wise, they were also *dangerous*. It makes her too rigid and strident as well. Consider that Cooper offers us three choices for responding to the fraud that she witnessed: “come forward with the truth, resign and say nothing, or make the entries and hope things will turn around” (p. 9). Elsewhere, she puts the choice in very basic, Kantian terms: “being loyal to your principles is more important than being loyal to your superiors” (p. 366). But there might have been a fourth option, adopting a ‘special’ ethical code and acting with what Machiavelli described as *virtu*. To act with *virtu* is to carefully watch one’s adversaries, ‘never overestimating their ethics or underestimating their power’ (Badaracco, 1997, p. 114), and it means acting with vigor, shrewdness, boldness, and skill (p. 108). Cooper was presented with a right vs. wrong decision, and she was actually lucky that her ‘virtue was successful’ (ibid., 115), because so often moral dilemmas come in the form of right vs. right (i.e., messy) decisions.

To this internal auditor and moral exemplar, her way—her journey—seemed relatively straightforward: first substantiate and then reveal the fraud. That the ‘way does not exist’ (Nietzsche, 1967, p. 241) and only *seemed to exist* made Cooper a ‘lion’, a courageous person with a relatively straightforward mission. But perhaps Cooper could have been a ‘fox instead of a lion’ (Badaracco, 1997, p. 110), setting a trap for Ebbers and Sullivan instead of simply resorting to her principles or virtues. After all no one has a positive story to tell about whistle-blowing (Cooper, 2008, p. 313), so why should one even do it? Is it really necessary for those who ‘wish to act entirely up to their professions of virtue’ to ‘destroy themselves among so much evil’ (Machiavelli, in Badaracco, 1997, pp. 80-81) (or nearly so, in the case of Cooper)? Is Cooper asking us to suffer on account of our principles, to relive that negative experience “again and again, times without number, everything in the same series and sequences” (Nietzsche, 1974, p. 371)? Mightn’t she have recognized that life is short, and that until internal auditors are afforded some basic protections (beyond the few recently established through the Sarbanes-Oxley Act), that it is better to be cautious instead of courageous, ‘light’ instead of ‘burdened’?

The Ethical Representations of the Profession

As soon as kitsch is recognized for the lie it is, it moves into the context of non-kitsch, thus losing its authoritarian power and becoming as touching as any other human weakness. (Kundera, 1984 p.256)

From our interviews we see that the field of internal audit is characteristically ‘weighty’ and underpinned by a Kantian morality, though auditors are being pressured to subscribe to a narrow form of (esp. act) utilitarianism. From the autobiography of Cooper we see too that a set of radical virtues inheres in the field, or at least in this one moral exemplar. What we wish to do now is examine the representations of the field’s official spokespersons and compare them with this reality. To this end we turn to a number of ethics-related documents found on the website of the Institute of Internal Auditors (IIA). What we find is that a generally-light, even kitschy approach to the topic of ethics has been taken by the profession. Somewhat surprisingly, however, even with this lightness the emphasis is still more Kantian/deontic than utilitarian/teleic.

The profession’s ethics-related materials contain an element of weight in that they stress a deontic moral philosophy; that is, adherence primarily to duties, obligations, and *prima facie* principles (Pojman, 2006). The internal auditor’s role is couched in terms of duties and the language is quasi-militaristic, especially in *Communicating Results*, where the auditor is told to follow a ‘chain of command’. In the document *Impairment to Independence*, auditors are told their primary duty is to the Chief Audit Executive (CAE). The *Code of Ethics* is deemed ‘mandatory’ in the document *What does it take...*, as well as in the *Code* itself. Further appeals to the primacy of rules are found again in these two documents as the profession informs the auditor that the *Code* is a function of ‘principles and rules’.

The profession’s ethics-related materials become somewhat lighter however in their appeals not to rules and principles but to consequences, suggesting a turn towards a more utilitarian morality. Here, the focus is on the comparative consequences of available actions, where the ultimate criterion is the maximization of the nonmoral value that results from a given

act (Pojman, 2006). For example, a key element of the profession's *Code* is the definition of internal auditing, which emphasizes the auditor's need to add value, something we observed earlier. More telling perhaps is the 'rules' that detail objectivity in the *Code*. Here, the auditor is told that s/he 'shall respect the legitimate and ethical *objectives* of the organization' (our emphasis), which in the case of the for-profit sector means (legitimately) maximizing shareholder returns. So too, the auditor is alerted to the importance of consequences in the document *Communicating Results*, specifically as these relate to the potential consequences of whistleblowing for both the auditor and the audited organization.

The profession also defers to a character-based, virtue ethics. For instance, it tells of the need for professionals to possess high levels of trust and integrity in *What does it take...* It also appeals to virtues in its *Code*, though it would seem it does this rather inadvertently. The *Code* is said to be comprised of 'principles and rules', yet when one moves down to these principles one finds a list of what are probably better characterized as virtues, namely, integrity, objectivity, confidentiality, and competency (on the virtue of integrity see Killinger, 2007).

However, the profession's ethics-related materials ultimately make their strongest appeal to kitsch. By kitsch, we mean aesthetic ideals that have a tendency to exclude everything from their purview that is essentially unacceptable in human existence (Kundera, 1984, p. 248). As Ferguson (1993, p. 67) describes the concept, "kitsch comes in communist, democratic, feminist, European, and third-world varieties", and is characterized by a tendency towards "forms of sentimentality and self-delusion" (in Newton and Harte, 1997). Kitsch, for Kundera, "causes two tears to flow in quick succession. The first tear says: How nice to see the children running on the grass! The second tear says: How nice *to be moved*, together with all mankind, by children running on the grass!" (our emphasis, p. 251). While the profession's ethics-related documents may not force the reader to shed tears, they probably do have the insidious effect of *moving* the reader, or at least inducing feelings in the reader "of a kind the multitudes can share" (ibid.)

The documents we analyzed contain an ample number of appeals to kitsch, including the *Code*. The *Code* is said to be designed to ‘promote an ethical culture in the profession’, though what this means and how it might do this is left for the reader to decide. Similarly, the ‘principle’ of integrity is said to help establish trust, but to whom that trust is paid (the public? management? the board?) is left unstated. Who are auditors to be loyal to? Whose trust are they inclined to breach (Neu, 1991)? Included in the rules of objectivity is an appeal for auditors to ‘avoid impaired judgment’, but again what this means and how one goes about protecting one’s objectivity and judgment is a mystery. After all, objectivity is always an act of interpretation (Lavoie, 1987). Finally, in the rules for competency the reader is told that auditors are to ‘continually improve their proficiency and quality of their services’. In regards to ethics, this would seem rather difficult if the auditor were depending on the *Code* or even the website to develop such proficiency.

Elsewhere, the visitor is faced with a variety of circular definitions and conceptual cul-de-sacs, again suggesting a deference to kitsch. For instance, in *What does it take...* the reader is told that professionalism is a function of, among other things, ‘high-road ethics’. The latter is said to be a function of practice in accordance with the *Code*, which is said to provide ‘mandatory guidance’. However, the *Code* offers nothing substantive, or really anything that could be said to be particularly instructive, in respect of ethics. In *What does it take...* the reader is also informed that the Institute’s website is ‘populated with resources on ethics’, though we had trouble locating even the most basic sorts of documents (including the *Code*). There is too an odd reliance on the maintenance of appearances. For instance, in *Individual objectivity* the profession appears less concerned about how actual improprieties undermine confidence in internal auditors and more concerned about how perceived improprieties do this. Such statements could be interpreted as meaning that ethical transgressions are acceptable as long as they remain hidden.

In fairness, we did locate one document that is decidedly unkitschy and noticeably lacking in ‘vacuous credos’ (Badaracco, 1997, p. 29), and that indeed offers sage or wise advice to the

interested reader. This document is *Communicating results*, and it appears aimed at potential whistle-blowers. While still a very ‘light’ document in terms of its detail and scope, the profession does outline the sorts of sensitive information with which auditors might come into contact. It further discusses why someone might wish to go outside the organization should they discover a problem, and it highlights the fact that auditors may not be offered guidance or protection should they decide to whistle-blow. The interested reader is also told to proceed with caution and to ‘always obtain legal advice’. Again, however, the reality faced by whistle-blowers such as Cooper is hardly on display to the website’s visitor, and the nuances and details of the consequences of heroic or virtuous action are almost entirely absent. Lacking authenticity and disconnected from the ‘essentially unacceptable in human existence’, the profession’s ethics appear stripped of what is really needed to help its members become virtuous actors or to institute a ‘natural goodness’ (Foot, 2001) in this field.

Discussion and Conclusion

It is difficult to get a man to understand something when his job depends on his not understanding it.
(Upton Sinclair, 1994, p. 109)

In this paper, we examined the ethics and virtues of internal auditing, recognizing that this professional sub-group exists within a weakly autonomous or ‘heteronomous’ field. Our examination was carried out using three ethical lenses: the Kantian, utilitarian, and virtue lenses (a.k.a. deontic, teleic, and aretaic ethics). Our study also employed a multi-method approach, consisting of a three-part interview, autobiography and website analysis. This approach enabled us to examine contextual- and individual-level ethics, and compare official representations with on-the-ground realities. Each of these elements was further treated as a narrative or story—elements in the constitution or performance of social reality—and we turned to Milan Kundera’s *The Unbearable Lightness of Being* to develop our own narrative or story. His dichotomy of

lightness vs. weight and notion of kitsch helped us reflect upon our at times dehumanizing way of being in the world, a requirement we think in any serious discussion of ethics.

Our analysis reveals a conflict between the internal auditing profession's representations and its practice. While the profession privileges ambiguity and 'lightness' in its ethical representations—a lightness that appeals to kitsch—we find a Kantian 'heaviness' characterizes both its practice and the experiences of its moral heroes or exemplars (Armstrong et al., 2003; Apostolou and Apostolou, 1997; Knapp, Louwers, and Weber, 1998; Libby & Thorne, 2004, p. 481). Certainly, this heaviness characterizes the experiences of World Com's Cynthia Cooper, a high-profile 'corporate whistle-blower' (Cooper, 2008) who was required to bear a truly unbearable weight, with subsequent costs to her physical health. It is this unbearably heavy situation within which auditors such as Cooper find themselves that motivates us to question the currently 'compromised' (Puxty et al., 1994) ethical stance adopted by this nascent profession. It also motivates us to offer practical suggestions (Cooper and Morgan, 2008) in respect of the profession's ethical representations and suggest ways that it can contribute to the (re)humanization of not only internal auditing but also contemporary capitalist practice.

Specifically, we think the IIA should, first, explicitly recognize the difference between a moral action and a moral person. This would help it avoid conflating principles with virtues. Second, it should be more reflective in terms of the difference between the ostensive ethical duties of the internal auditor and the ends that are to be achieved through ethical behaviour. Greater reflection needs to also be paid to what those ends are exactly. Are auditors to serve managers, boards and shareholders, or the general public? If all three, then this needs to be stated and a consideration made of how the ethical objectives of these groups might be in conflict. Third, the profession should consider focusing on a set of virtues that it thinks is worth embodying. Accounting researchers (cf., Armstrong et al., 2003; Francis, 1990; Libby and Thorne, 2004; Melé, 2006; Mintz, 1995) have identified a host of possible virtues that the profession might wish to embrace, and in this paper we have focused on yet others. While

courage figures prominently on the list of many of these commentators (cf., Armstrong et al., 2003; Francis, 1990; Stewart, 1997), we are inclined to also stress the importance of the virtue of compassion, that precursor to integrity (Killinger, 2007). Finally, and perhaps most importantly, the profession needs to appreciate that auditors are actively involved in creating our current moral order—they actively moralize markets and are not passive spectators (Fourcade and Healy, 2007). Currently, the profession's treatment of ethics is so light we cannot help but see it as 'unbearable', and we think this is the case whether the profession is only trying to manage impressions or whether it has simply not thought seriously about ethics. Either way, the current approach will ultimately fail to impress as constituent groups become more ethically-literate, and more concerned about accounting's ethical lapses.

In terms of the paper's theoretical contributions, our study confirms Gendron and Suddaby's (2004, p. 104) observation that there is a paucity of supportive resources to help guide auditing practitioners. Puxty et al. (1994) made a similar observation some years ago, and it appears that at least as far as the offerings of the IIA is concerned, the situation has not changed. In response to Neu's (1991) suggestion that auditors actively endeavor to legitimate their expertise and use a variety of technologies of control aimed at impression management, we are inclined to wonder how much conscious effort goes into these efforts; that is, should the IIA's ethics-related materials be seen as indicative of such technologies? Are the profession's ethics-related materials indicative of purposive 'strategies of legitimation', or are they better seen as accidental 'white lies' and taken-for-granted 'deceptions that deceive no one' (Bourdieu, 2000, p. 192)? Perhaps it is the case, and here we refer to the quote at the beginning of this section, that the profession's spokespersons' jobs somehow depend on their not actually understanding the complexities and nuances of ethics. Interviews carried out with the individuals responsible for the development of the profession's ethics-related materials and codes could prove useful in answering these important questions.

Our study also challenges the observations of Warren and Alzola (2009), who see the shift towards rules and away from judgment as essentially undermining ethics. It also challenges Raelin's (1989b) observation that deprofessionalization compromises ethical standards. To each, we are inclined to point out that such shifts and changes only undermine one type of ethics and compromise one type of ethical standards, putting in their place yet others. This is to say that some form of morality, virtue and ethics always inheres in a field, no matter how it is changing. A field's extent morality might be more or less individualistic, more or less ends-oriented, or more or less 'virtuous', but some form of morality is always present (cf., Lehman, 2006; Roberts, 1990; Shearer, 2002). (This also underlines the fact that while economic accounting researchers might see ethics as irrelevant on account of an ostensive 'fact-value problem' [Pojman, 2006] ethics cannot be made to simply go away.)

Finally, our study also responds to Gendron and Suddaby's (2004) suggestion that accounting experts are skeptical of their own expertise and unsure of their professional identities, such that they could be said to be currently suffering from a form of professional insecurity. Windsor and Warming-Rasmussen (2009) might attribute such insecurity to the rise of regulatory capitalism, which they see as eroding auditor independence. To each, we are inclined to agree that identities in this field are insecure and independence is being threatened, but we would also point out that it is important to recognize—following Kant and Nietzsche—that one must not lose sight of the role of agency in resisting these threats and dealing with these insecurities. As Fourcade and Healy (2007) so carefully argue, capitalism does not in and of itself create a given moral order. Rather, it is the moral order that shapes capitalism, and we can say rather optimistically that auditors can play a more active role in shaping their identities and building their autonomy by, among other things, keeping a closer eye on their ethics. Indeed, we think it is important to make professional bodies aware of their role in influencing their members and shaping the very nature of capitalism itself. As Fourcade and Healy maintain, markets are intensely moral projects actively moralized through definitions of good and bad, legitimate and

illegitimate. While the professional bodies may not be happy adopting such a heavy or weighty role, it may well be that their current lightness is only contributing to the deprofessionalization or proletarianization of accounting, which is to say they may be the architects of their own unbearable lightness of being.

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ⁱ The primary version of Kant's categorical imperative states: "Act only on that maxim whereby you can at the same time will that it would become a universal law" (Pojman, 2006 p. 10)

ⁱⁱ A good deal of ambiguity surrounds the idea of virtue, and numerous lists and typologies of the virtues exist. Aristotle might have us focus on 13 specific virtues (cf., Bragues, 2006, p. 345). O'Neill (1996) sees five *ranges* of virtues ('virtues of justice'; 'executive', 'social', and 'supererogatory' virtues; and other 'optional' virtues). Francis (1990) distinguishes among 'physical', 'intellectual', and 'instrumental' virtues (in addition to the five accounting-related virtues that he lists). Libby & Thorne (2004) see eight *categories* of auditors' virtues (based on Pincoff's typology). A more Judeo-Christian or theologically-based analysis might have focused on only three: 'faith', 'hope', and 'charity'. Then there is also Maxwell (2007), who considers justice and compassion to be *values*, not virtues (p. 280). White's grouping was chosen because it is summative of a variety of approaches, it is relatively simple, and it is intuitively-appealing to the authors. (See also Melé [2005] who, with the exception of compassion, uses the same list as White.)

ⁱⁱⁱ The story of WorldCom began in 1985, the year Canadian Bernard Ebbers took over as CEO of a long distance reseller known as Long Distance Discount Services (LDDS), a company located in Hattiesburg, Mississippi. A ruthless cost-cutter and believer in an acquisition and consolidation strategy, by 1992 Ebbers had moved the company from the red into the number four spot among its competitors. Changing its name to WorldCom, Inc. in 1995, the company earned roughly \$3.7 billion that year, a figure that climbed to \$7.35 billion by 1998. The rise of this giant came to an end in late-2000, however, when a \$129 billion proposed stock buyout of Sprint was vetoed by the US Department of Justice. Not being able to feed what had by then become a dependency upon growth, the company's problems were further compounded by a dramatic fall in the stock market, which also put Ebbers under a good deal of pressure as his personal holdings (estimated at \$1.4 billion in 1999) were supported by bank loans backed by WorldCom stock. By 2002, the company came unraveled and was forced to restate its earnings to the tune of \$4 billion (which later became \$11 billion). Shortly after this it was determined that the company had been capitalizing expenses and inflating revenues. In March of 2004, Ebbers was charged with conspiracy to commit fraud and falsely filing with the SEC. Ultimately testifying against him was the engineer of the fraud, accountant and company CFO Scott Sullivan, who entered into a plea bargain with prosecutors