

## 10. Case “Dilemma for Marina”

Marina was faced with a dilemma: what should she do? She recently started working for an accounting consulting firm and has already encountered an issue that could affect her future relationships with the firm. During an audit of one company, she discovered that a large amount of money actually paid to the company's employees was not properly processed through the payroll. This practice was quite common in many commercial and government agencies and helped to hide a significant portion of cash from taxes. Marina believed that this practice was incorrect and illegal and should be reflected accordingly in the audit report. She raised this issue in a conversation with Nikolai, a senior member of her audit team. He acknowledged that such a problem generally existed, but did nothing to move forward in resolving it. Nikolai suggested that Marina talk to the head of the company if there was something in this matter that did not satisfy her.

Before going to the manager, Marina thought about this problem for a long time. The auditing classes she continued to attend and which were offered periodically by the firm emphasized the ethics of the auditing profession and her firm's commitment to high ethical standards. This finally convinced her of the need to meet with the head of the company. However, the visit to the management was unsuccessful. Alexey Petrovich, director of the company, agreed that the practice discovered by Marina was generally not correct.

However, he noted that other clients with whom they had to deal acted in a similar way. Alexey Petrovich even went so far as to tell Marina about the possibility of losing a client if the fact she discovered was reflected in the audit report. He made it clear that he was not happy with this outcome of the case. From this meeting, Marina was left with the feeling that if she went further in resolving the problem, she would certainly acquire an enemy.

Her state of dissatisfaction and anxiety did not go away, and she decided to discuss this problem with one of her colleagues. Marina turned to Boris and Mikhail, who had been working at the company for about two years. It turned out that they had encountered similar cases before in their audit work. They were surprised that Marina turned to the director of the company, bypassing her immediate supervisor - the head of the audit department.

Boris and Mikhail drew her attention to the fact that if she insisted on having her way, they could not avoid trouble. They recognized that the clients' actions were fundamentally wrong, but they were hesitant to reflect this in the audit reports. They were pushed to this by the knowledge of the fact that the company's management was looking at this “through their fingers.” So, they didn't want to create problems. Boris and Mikhail called on Marina to be a member of the “team” and remove this issue.

Marina was faced with a choice. In principle, she could have insisted on her own over the head of her immediate superior. She understood that even if she was forgiven, she would immediately have to change jobs. And what is absolutely certain is that her actions will not be to the liking of her colleagues. Of course, you could just forget about what happened and do nothing. With such an outcome, she believed, the company's employees would be satisfied and this, perhaps, would help her make a career in the company. The only problem she would still have to deal with was her conscience. There was very little time to decide.

### Questions

1. What type of interpersonal conflicts take place in the situation? Explain and support with facts.
2. What would you suggest Marina do in this situation?