CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

It is a widely acceptable concept that accounting principles, policies, methods, techniques and sy stems govern the preparation process of the financial statement of any entity.

For those transactions and occurrences not specifically covered by an official statement ; account ants must exercise professional judgement in determining the most reliable treatment that is com patible with usually accepted accounting principles.

Therefore, in order to provide a formidable and widely acceptable template for financial reportin g, the accounting ethics of the professional managers of such documents need to be curtailed. (Ikoh 2013).

Hornby (2010) describes ethics as the moral values governing human behaviour. The similarity i s the measure of morally acceptable conduct in both definitions. According to Salaudeen, Ibikunle and Chima (2015), it is therefore essential that the information provided by the accountants and auditors be meaningfully effective, reliable, realistic and unbiased. In view of recent happenings in the corporate world, there seems to be no significant relationship between accounting ethics and the quality of financial reporting (Salaudeen et al., 2015).

According to Ezeani et al, (2012), the objectives of financial reporting are to provide information to assist users in: assessing the reporting entity's financial and service performance, financial position and cash flows, assessing the reporting Compliance with the laws, regulations, common law and contractual provisions, as these relate to the assessment of the reporting entity's financial and service performance, financial position and cash flows and making decisions about providing resources to or doing business with the reporting entity.

To buttress this, Ogbonna and Appah (2011) argued that corrupt company operations have acquired roots, so it is essential that accountants who are saddled with the responsibility of preparing financial reports fully comply with ethical accounting standards codes in order to generate precise, timely, efficient, thorough, relevant and genuine financial reports. Suffice it to say that financial reporting is the fulcrum of the art of decision making. Various organisation stakeholders need financial reporting to evaluate such organization's efficiency, profitability, viability, and advancement. To this end, an accountant is liable for the results of his moral choices for his one life as well as for the lives of other people. The quality of financial reporting indicates a limit in which an entity's financial reports, economic status and functions, measured over time, are honestly presented (Talebnia, Salehi & Jabbarzade, 2011). Business practices, environments, and culture are known to possess the capability, in varying degrees, to affect the value of and hence, Confidence in the system of financial reporting (Gois, 2014).

The report of study carried out by Ogbonna and Ebimobowei, (2011) on the accountant's ethical compliance with the quality of financial reporting and performance of quoted businesses in Nigeria indicates that the accountant's compliance has a positive and significant impact on the quality of financial reporting and organizational performance. As a result, society places a high level of trust in the financial reports prepared and audited by professi onal accountants because it is thought that a good deal of professional ethics and codes of behavior have been taken into account in the preparation and audit of financial statements (Adeyeye, Adeyemi and Otusanya, 2010).

In other words, accounting ethics is expected to impact the quality of financial report's.

Accountants ' financial statements are used to create users ' financial choices. It is therefore imperative, according to Salaudeen, Ibikunle and Chima (2015), that the information provided by the accountants and auditors be meaningfully effective, reliable, realistic and unbiased. In view of recent happenings,

There seems to be no significant relationshio in the corporate world between accounting ethics and the quality of financial reporting (Salaudeen et al, 2015). Accountants are no longer taken into consideration ethical stance and consequences of their actions while reporting financial performance (Salaudeen et al., 2015).

For instance, Verdi (2016) defines financial reporting quality as "the precision with which financial reports convey information about the firm's operations, in particular its cash flows, in order to inform equity investors". In all, the need for financial statement to reflect the economic circumstance of the reporting entity is expressly implied. Thus, financial reporting quality, especially according to the shareholders' protection perspective, can be compromised for pecuniary consideration by the accountant who lacks accounting ethics.

An accountant's responsibilities extend beyond its direct customers, but also to shareholders, debenture holders, creditors, staff, vendors, government, accounting profession and the general public (Appah, 2010 ; Abiola, 2012). Accountants need to behave ethically based on the codes of accouting specified. Professional ethics is relevant to accountants and those who depend on accountants ' data because ethical behaviors involve moral considerations (Klai & Omri, 2011). In the accounting world, the development and enforcement of professional ethics will most probably lead in improving the quality of financial reporting. One rationale for this study is investigate the effect of accounting ethics on quality financial reporting in Nigeria.

1.2 Statement of Problem

Accountants from time to time are confronted with ethical dilemmas (Babayanju, et al, 2017). Accountants are enticed to choose between right and wrong in the course of their operations. The claim to professionalism of the accountants is based on their commitment to ethical principles and the will that they will not allow their public interest obligations to mix with private interests (Babajanyu, et al, 2017).

Joseph and Dike (2014) corroborates that the failures of certain organisations in the corporate scene can be traced to the failure of accountants of such organisations to comply with codes of behavior prescribed by end-users in the content of financial reports and their skepticism. Business failure and scandal cases have led to greater scrutiny of accountants ' financial reports. Aguolu (2006) postulated that these failures of corporate entities were due to the non-compliance of accountants with the codes of conduct shown not only in the financial statements contents but also in their reliability by end users. Consequently, appropriate care must be taken in the presentation of these financial statements.
In recent times, several ethical issues have been discussed, ranging from conflict of interest, deali ngs with insiders, objectivity, gifts acceptance, etc. Scholars believe that all these ethical issues influence the quality of the financial statements Joseph and Dike (2014). The amended and

republished Corporate Governance Code (2011) provided for the composition of an ethics committee in an organisation where the committee is responsible for deliberating on ethical issues and upholding the organization's ethical norms. This has not actually yielded the correct outcome as designed as some of the scandals over the previous century have been traced back to ethical issues where most of the time management and auditors have compromised integrity for private and selfish gain to the organization's detriment (Gois, 2014). Thus, the gap between theory and practice required critical evaluation of organizations ' ethical issues and how they influence the quality of financial reporting. Consequently, this project's aim is to investigate whether or not ; accounting ethics has effect on the quality of financial reporting.

The Corporate Governance Code (2011) mandated an ethical committee for each registered organisation in Nigeria. The ethical committee faces the task of addressing ethical issues as well as promoting ethical principles within an organisation. As some of the corporate scandals committed over time are linked to ethical issues, the composition of ethical committees has not produced desirable results (Ezeani et al, 2012 ; Festus & Temitope, 2016). Few cases of corporate scandals in the last century include Enron Plc's manipulation of its financial statements due to a absence of autonomy on the part of senior managers ; Cadbury Plc's overstatement of its audited financial reports ; African petroleum excluded its N22 billion debt burden in its financial reports and banks ' conspiracy to commit fraud with internal auditors (Enofe et al, 2015). A proper assessment of the above-mentioned scandals shows that their occurrence results from non-compliance with ethical principles. Therefore, the effect of accounting ethics on the quality of financial reporting in Nigeria needs to be evaluated.

1.3 Objectives of the Study

The general objective of this work is to investigate the effect of accounting ethics on quality of financial reporting in Nigeria. However, the specific objectives are stated as follows:

i. To examine the effect of objectivity on the quality of financial reporting in Nigeria deposit money banks.

ii. To examine the effect of integrity on the quality of financial reporting in Nigeria deposit money banks.

iii. To evaluate the effect of professional independence on the quality of financial reporting in Nigeria deposit money banks

1.4 Research Questions

i. What is the effect of objectivity on the quality of financial reporting in Nigeria deposit money banks?

ii. What is the effect of integrity on the quality of financial reporting in Nigeria deposit money banks?

iii. What is the effect of professional independence on the quality of financial reporting in Nigeria deposit money banks?

iv. **1.5 Research Hypothesis**

The hypothesis to be tested by the research work are listed below:

$\boldsymbol{H_{01}}$ - Objectivity as an accounting ethical principle does not have significant effect on the quality financial reporting in Nigeria deposit money banks.

H_{02} – Integrity as an accounting ethical principle does not have significant effect on the quality of financial reporting in Nigeria deposit money banks

H_{03} - Professional independence does not have significant effect on the quality of financial reporting in Nigeria deposit money banks

1.6 Justification of the Study

Scholars such as Ezeani et al, (2012); Joseph & Dike (2014); Ogbonna and Appah (2011); Babayanju et al, (2017); Enofe et al, (2015); Nwagboso (2018) and Festus& Temitope (2016) have conducted studies targeted to assess the impact of accounting ethics on the quality of financial reports of Nigerian firms. Virtually all of these studies focused on the financial sector and financial report of firms thereby excluding quality financial reporting as a whole on its own.

This study will be of immense benefits in multiple ways. First, it will educate stakeholders from different organisations about how to uphold their stipulated ethical principles to prevent business failures and corporate scandals. Second, it will encourage accountants to adhere strictly to accounting ethics codes in order to have certain aspects of reliability prepared and provided by them in the financial reporting template. Third, the research through its results will help organizations ' stakeholders make essential investment, finance, and dividend choices to support their organization's general corporate performance. Fourthly, it will instill the spirit of professionalism, truthfulness, sincerity and integrity among accountants as they recognize that involvement in fraudulent practices is tarnishing their private reputation, professional reputation and hampering the authenticity of financial information that they release. Finally, this research will function as a guide for learners, researchers and scholars who may be prepared to carry out further research on the topic.

1.7 Scope of the Study

This study examines the effect of accounting ethics on quality financial reporting in the Nigerian deposit money banks. It is limited to Nigeria. Therefore, the scope of this study is limited to data from employees of the selected nine (9) deposit money banks with international authorization. The research work was so limited because of the limited availability of data and time. It also covers some of the publications of the Institute of Chartered Accountant of Nigeria (ICAN).

Consequently, several reviews, on issues relating to the effect of accounting ethics on quality financial reporting in Nigeria to include text books, industrial relation, management, social sciences, dissertations from academicians on related issues, Newspaper edits, journal etc would be consulted. The work would have been very large if all the argument of the different authors were presented, but they were carefully selected so only issues particularly concentrating on the subject matter was considered.

1.8 Operational Definition of Terms

1. **Ethics:** This refers to a set of moral principles, especially ones relating or to or affirming a specified group, field or form of conduct.
2. **Accounting Ethics**: This is primarily a field of applied ethics and is part of business ethics and human ethics. Accounting ethics studies moral values and judgments as they apply to accountancy.
3. **Financial Report**: Financial report (or statements) is a formal record of the financial activities and position of a business, person or other entity. Relevant financial reports such as balance sheet, income and expenditure statement, statement of retained earnings

and cash flow statements, must be presented in a structured manner which must be easily comprehensible to the end users.

4. **Objectivity**: Objectivity entails that financial report must be independent and supported with unbiased evidence.
5. **Disclosure**: Disclosure refers to the additional information attached to an organization's financial report, usually as explanation for activities which have significantly influenced such organization's financial results.
6. **Integrity**: Integrity implies that financial report must be accurate, reliable and truthful.
7. **Professional Independence**: This refers to freedom of professional accountants from control or influence of another party or stakeholder. It implies that professional accountants must be given the free-hand to prepare financial reports devoid of internal and external interference
8. **Competence**: This refers to the quality of being adequately qualified to handle assigned tasks and responsibilities.

CHAPTER TWO

LITERATURE REVIEW

2.0 Preamble

In this chapter, various existing literatures on the subject matter such as works already done by earlier researchers, relevant journals, magazines, newspaper and authors of various books would be reviewed. Also, this chapter is divided into three sections. Section 2.0 is the preamble. Section 2.1 highlights the conceptual review and section 2.2 highlights the theoretical framework of the study where relevant theories in the research area will be succinctly highlighted and explained as well as conceptual issues on effect of accounting ethics on quality financial reporting in Nigeria deposit money banks. Section 2.3 reviews the empirical studies while 2.4 states the implication of the review to the current study.

2.1 Conceptual Review

2.1.1 The Nature and Scope of Ethics

Ethics are the moral principles that an individual uses to govern his or her conduct, according to Ogbonna and Appah (2011). It is the private criteria that distinguishes an individual from right or incorrect. From Ogbonna's point of view, when we talk about ethics and ethical values, we mean our concern about things that we think, say, and/or practice may not necessarily violate the organization's rules or infringe the land's law or constitute an outright crime or felony, but that border on our sense of morality, our sense of right and wrong. It is concerned with problems such as conflict of interest, dealings of insiders, compromising integrity, objectivity, independence, confidentiality, disclosure of official secrets and destruction of official documents for financial gain and other similar acts that are contrary to moral values and ethical norms. Nwagboso (2008) claims that ethics or morality as matters of good and evil, right and wrong, and supports the fact that "we live in a wilderness of ethics today”.

He thinks that all individuals have ethics in ferment and chaos. Hayes, Schilder, Dassen, and Wallage (1999) claim that ethics is a set of moral principles, behavioral guidelines, or values. Ethics apply when an individual has to decide on different moral values from various alternatives. For society to operate in an orderly way, ethical behavior is essential. The need for ethics in society is sufficiently essential that it is impossible to incorporate integrity, allegiance and pursuit of excellence into law. They further indicated that the following ethical principles integrate the features most individuals associate with ethical conduct; sincerity, integrity, promise of maintaining, allegiance, fairness, caring for others, respect for others, pursuit of excellence and responsibility. Ethical behaviour is necessary for society to function in an orderly manner.

The field of ethics was split into meta-ethics, ethical theories and applied ethics by Ajibolade (2008). Meta ethics is the reflection on ideas and theories of ethics. Ethical theories are the substantive suggestions concerning those considerations that would determine morally acceptable behavior and applied ethics is the deliberation linked to a particular area of inquiry. Examples include business ethics, government service ethics, and professional ethics in particular.

According to Jenfa (2000) and Nwagboso (2008), professional ethics offers accountants certain benefits, such as determining the professional position they should adopt if they are to succeed and determine the prosperity of their behavior in their work.

2.1.2 The Concept of Accounting Ethics

The rapid development of human society and social relationships which is complex, necessitates the constant flux of fiduciary relationship management that is ethically acceptable. One professional development efforts needed in response to these changing conditions evolve in the form of professional codes of conduct and standards. Thus, increasing social demands in the range of accounting responsibilities in the complex web of social contracts makes the establishment of standard practice and professional behaviour expected of the accountant, inevitable. This explains why accounting services are provided under the supervision of a professional association, (Saghafi, Rahmani, & Rabie, 2010). For instance, according to principle of AICPA code 3, Members should accept the obligation to act in a way that will serve the public interest, honor the public trust, and demonstrate a commitment to professionalism. These professional responsibilities, in order of priority, include: responsibility for society, responsibility for client, responsibility for other members of the profession, and responsibility for self. In other words, professional person should accept that after joining the profession, the interests of society take precedence over and above client's and personal interests in the discharge of his professional services.

Non-accountants may find it difficult to draw the link(s) between Pacioli's work on double entry bookkeeping and accounting ethics. However, it is this very work on double entry bookkeeping that forms the (epistemological) base of accounting ethics. The basic idea about double entry bookkeeping is extremely simple but has profound implications for accounting ethics: every debit entry must have a credit entry. In an event where this is not the case, it indicates creative accounting, which is another term for fraud. While the value of double entry bookkeeping in detecting creative accounting is widely acknowledged, Brown (1962, citing Foster, 1836) captures the role of human agency in accounting ethics – through the ability to embrace moral values and pass moral judgements – by submitting, the fundamental principles of double entry are as dependable in their application to every species of accounts as their operation is extensive; in practice, however, they are exposed to all the moral and mental deficiencies of the accountant: They are neither exempt from the defects of ignorance – the errors of indolence – or the practice of fraud – and frequent and careful investigations on the part of the proprietor himself are scarcely sufficient to render him secure from such evils.

The professional accountant is expected to provide true and accurate picture of the performance of an entity even in the face of conflicting interest involving his personal interest. Such display of professional discipline, which is the hallmark of professional objectivity, no doubt, engenders reliability, continued trust and public confidence in the accounting profession, which should further reinforce the intellectual and practical adherence to the professional standards of conduct. More so, it is believed that such professional discipline also enhances the desirable quality of the final products of the accounting profession. Such desirable qualities as faithful representation of facts, relevance and reliability of facts so presented, understandability of facts and timeliness of facts, are enhanced when the public accountant is seen to be so professionally disciplined in conduct.

2.1.3 Financial Reporting Quality

Financial reporting's primary objective is to provide high-quality financial reporting data on economic institutions, mainly financial in nature, that is helpful for economic decision making (FASB, 1999; IASB, 2008). It is essential to provide high-quality financial reporting data because it will favorably impact capital suppliers and other stakeholders in making investment, credit and comparable resource allocation choices that improve general business effectiveness (IASB, 2006; IASB, 2008). The quality of financial reporting indicates a limit that honestly presents a company's financial reports, its economic status, and features that are measured over time (Talebnia, Salehi, Jabbarzade & Kangarluei, 2011). Truthfulness and confidence in the financial reporting scheme rely on much more than individual actions and choices or advanced "processes" for the scheme as a whole (Enderle, 2006). Companies in the power, accounting and banking sectors and licensed government accountants ' professional organizations and investment managers and researchers have influenced the quality and trust in the economic sector in differing degrees, affect the quality of and confidence in the financial reporting systems. Truthfulness and confidence in the financial reporting system can not therefore be a matter of private or institutional ethics alone (Brenkert, 2004). It is more essential to conduct ethical accounting than auditing because the accounting system prepares auditing financial statements (Mahdavikhou & Khotanlou, 2011). Accountants have responsibilities to shareholders, creditors, staff, vendors, government, accounting profession, and the general public.

In other words, their obligations extend beyond their immediate client. Decisions taken on accountants ' information can have a significant impact on the life of any or all of these stakeholders. Ethical behavior is therefore an essential and expected trait (Carroll, 2005). As a result, an accountant not only meets the moral consequences of their choices in life, but the lives of other people as well, (Catacutan, 2006). Professional ethics is important to accountants and those who rely on information provided by accountants because ethical behavior entails taking the moral point of view. Thus, internalizing and developing professional ethics in accounting profession lead to promoting the quality of financial reporting, (Ball, Robin & Wu, 2003).

2.1.4 Business ethics and corporate governance

Accounting ethics as business ethics and how they impact corporate governance is another core theme in the literature. Ethics and corporate governance are interrelated. The primacy of accounting ethics in business ethics within the broader framework of corporate governance is underscored by the emerging and evolving challenge of handling ethics-related issues in the complex contemporary workplace often resulting in what is described as a "reactive mode" of addressing ethical issues in business settings (Fourie, 2012). Reactive mode is the starting point in managing ethics. Often, where business ethics are at play within the broader framework of corporate governance, accounting ethics are also at play either by commission or omission.

Within the South African corporate governance environment, a sharp focus has been made on accounting ethics – as a form of business ethics – and with the introduction of proper leadership, social responsibility, and sustainable and environmental developments came a King report. The King report was initially introduced by 1994 and was approved and supported by the late former president Nelson Mandela. As a highly valued and ethical president, one would tell that that is how he grew in popularity, and the King report gained momentum, which resulted in King II and III which were updated in 2002 and 2009 respectively (Institute of Directors in Southern Africa (IoDSA), 2015) and finally King IV.

King IV was published by IoDSA, which is still the governing body even today. It describes the shifting power relations and openness to constructive engagement. According to the report, business enterprises should not only take into account the interests of shareholders assumed to be in touch with societal realities but also the "'legitimate interests and expectations of stakeholders other than shareholders… In this report, business enterprises are viewed as corporate citizens that do not simply have the responsibility of building 'sustainable business', but should do business 'ethically' by considering 'the short- and long- term impacts of strategy on the economy, society and the natural environment' by taking into account 'the company's impact on internal and external stakeholders.

The report therefore recommends that businesses establish mechanisms and processes that support stakeholders in constructive engagement with the company and communicate in a 'transparent and effective' manner in order to build and maintain their 'trust and confidence'". At the heart of the mechanisms mentioned in the report is "reporting" as a managerial function in businesses. Because businesses exist for the purpose of making a profit from invested capital, reporting inherently involves expense and income accounts as well as statements of profit and loss accounts, as the case may be. The core of these accounts is accounting procedures and protocols. The contention in this case is that at the heart of business ethics and their concomitant reporting imperatives, especially as outlined by various King reports in South Africa, are accounting ethics.

This analysis finds resonance with a view advanced by Buys, et al., (2012) when they proffer that accounting professionals have the potential to influence the flow of events, as whatever accounting professionals say is regarded as having substance. Accountants and auditors play a very important role with their opinion, which is regarded as final or strong to influence decisions in business. However, accounting ethics, as business ethics in corporate governance, seem to have inherited the social dilemma associated with the emergence of a new paradigm in economics and split views on whether to demand higher ethics or wider regulation. Ducháčková and Daňhel (2013) capture this dilemma when they observe that to add up recent critical ethical issues, it is better to rather get a new economic paradigm with an improved level of economic relations in ethics, or beef up measures of regulations. This leads to the following question being asked: does more, extra ample, broad set of rules, which meet previous 'preventions' or parts elaborated in (Smith & Smith, 2003) Smith's 'unseen hand', a suitable cautious reaction to the existing economic and social advances, which have resulted from a high desire for the chase of profits?

Additional fundamental inquiry is whether the recent majority form of democratic political systems is talented enough to generate a corporate governance atmosphere in terms of 'relation goods' and positive, undetectable assets for the common good. It is the considered view of the current analysis that whichever way this dilemma plays out, accounting ethics as a core requirement of reporting processes and procedures of corporates will remain a critical aspect of business ethics within the context of corporate governance. In totality, the fundamental dilemma is to find a new model with a high level of ethics in economic relations, or keep extending strong regulatory measures (Ducháčková & Daňhel, 2013).

2.1.5 Nexus Between Disclosure and Quality Financial Reporting

Those who make use of financial reports are from all walks of life, with different aims and knowledge level, having so many interests and various information requirements (Malekian, Adili, Emrahimian, & Amirpour Mola, 2011).

Disclosure term, in the widest sense, is meant to provide information. In accounting, the term is used in a more limited way and is meant just presentation of financial information of the company in financial or annual reports. Information disclosure is the center resource efficiency in capital market, and any information would affect investors' decisions should be revealed by companies.

One factor to determine the quality of disclosure in Iran is the corporate disclosure rating of the Tehran Stock Exchange. This rating reflects the evaluation of the said organization about the information content of companies' disclosure. The scores are calculated based on the weighted average of the timeliness and reliability of disclosing information criteria (Yaqub Nejad, & Zabihi, 2011). However, the Code of Corporate Governance Nigeria recently published in Nigeria serves as the benchmark for quality disclosure which also affects financial reporting quality.

Sinqavi and Desai (2013) argue that quality refers to the completeness, accuracy or precision, and reliability features. In general, quality is the limits financial reports reveal the main economic activities of a business unit so that it is easily conceivable for the users of those reports Setayesh, & Kazemnezhad, 2010).

Quality disclosure is essential because capital market participants are always looking for reliable and good financial data because these data reduce information asymmetry between company management and outside investors. In the same vein, Bootasan (1997) reported that the result of his tests showed that the quality of disclosed information was directly related to the decrease of capital expenditure.

When the quality of disclosure increases, not only more investors will take part in corporate bond trading but also their efforts to access confidential data will decrease. More so, this would improve the financial reporting quality drastically.

According to some researches, there is a relationship between disclosure quality and the size of a for-profit firm (Shabahang, 2011). In most of the researches on disclosure, the firm size is considered as an important characteristic concerning the level of disclosure which also transmit to its quality financial reporting.

2.1.6 Accounting standards and benchmarks

Accounting standards and benchmarks are derived from the deontological/formalism base of accounting ethics. It is important to note that inherent in the discourse or language of accounting ethics are accounting standards, and benchmarks are the notion of what an 'ideal' accounting function should encompass. In this sense, Buys (2009) lists these as being relevant, reliable and comparable. With regard to being relevant, Buys (2009) submits that appropriate accounting material would provoke and stimulate commercial choices, whereas accounting that is more reliable would not be biased and, as a result, be easily verifiable. Comparability on its part means "stakeholders can compare relevant information across businesses" (Buys, 2009, p. 503). Summarising these, Buys observes, in reality, the data we obtain from accounting material should give a reliable opinion with reasonable facts beyond doubt and allow for testing and authenticating in order to be acceptable. Suffice towards submitting that these are not possible were it not for accounting standards and benchmarks.

In literature, one of the most comprehensive treatments of the issue of accounting standards and benchmarks as being integral to accounting ethics is highlighted by Buys, et al., (2012). In their contention, accounting standards and benchmarks for accounting ethics are often set out in a code of conduct. After identifying the most popular accounting professions, they classified them into two, being Cost and Management Accounting, and Financial Reporting (Accounting), which was significantly historic in nature, and the former focused on future procedures. As such, they set out ethical considerations for both.

Regarding financial accounting, information contained in financial reporting (accounting) streams or concerns is signified through codes from professional bodies such as Institute of Chartered Accountant of Nigeria (ICAN), The American Institute of Certified Public Accountants' (AICPA) Code of Professional Conduct; The Institute of Chartered Accountants of England and Wales' (ICAEW) Code of Ethics; The South African Institute of Chartered Accountants' (SAICA) Code of Professional Conduct, etc.

It is instructive to note that the above codes include international codes, whereas there is only one from South Africa, thus emphasising accounting ethics' preoccupation with standards and benchmarks. Buys, et al., (2012) further submit, from the above organisations' codes of conduct, four major principles are identified as typical in promoting the objectives of an 'ethical' accounting profession. These are ***professional competency, integrity, objectivity and confidentiality***. Within the framework of the current review, these four are considered standards and benchmarks for accounting ethics.

Concerning professional competency, Buys, et al., (2012) posit, within the broader perspective of the accounting profession, the concept of professional know-how is taken as referring to the accountant’s capability to obtain and maintain adequate levels of accounting-related capabilities. This can be realised by:

- continuously developing their personal proficiencies and knowledge
- executing their responsibilities in line with relevant laws and regulations
- Issuing reports and recommendations only once they have personally completed the assignment.

The inference that can be drawn is that accounting ethics demand an accountant to always strive to and maintain the standard and benchmark of professional competency by endeavouring for the above-listed aspects.

Respecting that standard and benchmark of integrity, Buys, et al., (2012) contend, the concept of integrity within an accounting background may be well- defined as honesty and sincerity in the daily use and practice of accounting skills. An accountant with integrity will therefore not be dishonest and would not get involved in the falsification of information. The characteristics of integrity become a reality in the concepts of full disclosure of relevant financial information. The accountant with integrity will therefore:

- Avoid situations of possible conflict and inform all stakeholders should a dilemma of conflicting situation become a reality
- not undertake engagements that may make it difficult to preserve integrity in an ethical manner
- not accept gifts or favours that may create the impression of influencing their responsibilities
- Refrain from subverting the attainment of the organisation’s legitimate and ethical objectives.

Again, the inference is that accounting ethics demand an exacting level of integrity on the part of accounting professionals.

Elaborating on the principle of objectivity, one could state that it is a situation when an accountant is actually autonomous and unbiased, as well as being seen as independent and unbiased, when it comes to business facts and the situation at hand, whether from a personal perspective or from being influenced by others. When facing ethical questions, it is necessary for the accountant to consider other stakeholders' feelings and motives. The accountant therefore has a responsibility to:

- Communicate all information fairly and objectively and to
- Disclose all applicable information that can be anticipated to influence the end user's decisions.

Accounting ethics demand a high degree of objectivity as a standard and benchmark.

Finally, Buys, et al., (2012) discuss the principle of confidentiality as a standard and benchmark in accounting ethics. They opine, the norm of confidentiality imposes a responsibility on accountants to refrain from disclosing any confidential data obtained as a result of professional relationships, or to use such data for personal or another third party's advantage. Thus, confidentiality within an accounting context means that the accountant will not use information obtained during the fulfilment of any professional duties for personal gain and should therefore not:

- Disclose confidential information obtained during the course of professional duties, except when required by law
- Fail to inform subordinates of the confidential nature of the information and ensure confidentiality is maintained

- Use, or pretend to use, any confidential information to gain some unfair or unethical benefit.

2.1.7 Accounting ethics as professional ethics

Buys, et al., (2012) make worthy observations on accounting ethics as professional ethics. In this regard, they opine that the commitment to be a registered professional accountant requires that a professional behaves in a good manner all the time and stay away from temptation of doing wrong. In registering to be a professional accountant, a day- to-day image has to be maintained in order to exercise a broader vision in others to trust a professional accountant. Codes of conduct are to provide a framework for ethical behaviour, and it is important for an accountant to operate within this framework. Although an accountant’s interpretation of this framework is often formed through personal experience and training, there are certain principles that the ‘ethical accountant’ should strive for, which include:

- Avoid small ethical failures. Although it may initially seem unimportant, there is a possibility of exploitation later by unprincipled individuals.
- Focus on the long-term reputation. Accountants should try and ignore short-term pressures and focus on their long-term reputation.
- Be prepared to face personal consequences. The ethical accountant may face two choices: to let go of ethical standards and obtain certain benefits or to be ignored when promotional opportunities arise.

Finally, should the ethical harms not be reasonably resolved, professional accountants have no other option but to resign their position within an organisation or appointment from a client (Buys, et al., 2012). It is deducible from this erudite exposition of accounting ethics that as an aspect of applied ethics, accounting ethics demand the highest level of moral probity from accounting professionals. Suffice to add that these demands are legitimate considering that accountants deal with information and make evaluations and decisions that go to the core of private and public endeavour with respect to the effective and efficient use of (limited) resources. Although Buys, et al., (2012) present their arguments from a South African perspective, it is important to note that accounting ethics as professional ethics are a matter of international interest and concern. For this reason, it is not unusual to find literature on accounting ethics as professional ethics, but at a general level. Jamnik (2011) discusses ethical code(s) in the public accounting profession. After identifying (public) accountants as befitting from the title “professionals”, Jamnik (2011) pointedly observes that professional specialists are charged with moral responsibility to have received a specific knowledge before discharging their services as professionals.

Professionals are also required to maintain up-to-date knowledge enrichments through continuous professional development. An extra characteristic of professionals is that they must own a strong mental attitude of serving the public with utmost good faith and to the best of their ability in order to receive public trust.

2.1.8 Accounting ethics in business education and training

Can ethics generally and accounting ethics specifically be taught? This quintessential question has found its way into accounting ethics literature. Several scholars have addressed this issue. The discussion in this section samples some of these contributions.

At a general level, Celuch and Dill (2011) observe that it is significant for business facilitators and corporate coaches to fully understand the landscape of ethical decisions so that an enriched syllabus and training can be advanced to develop ideal ethical decision-making. Hence, fully understanding individual- level ethical behaviour from a business perspective is an ongoing imperative.

At a more specific level, against the framework of the SAICA Competency Framework released in 2008, Strauss-Keevy (2014) identifies ethics as a "pervasive skill" that must be addressed in the education and training of accountants in the Republic of South Africa. According to Strauss-Keevy (2014), the Competency Framework all-inclusive of the specific competencies that aspiring Chartered Accountants (CAs) need to achieve, and placed specific importance on pervasive skills. The competencies in the Competency Framework formed the foundation of SAICA's new qualification model, on which SAICA's accredited instruction and preparation programmes are based. With the release of the Competency Framework, there was an important shift in emphasis on the abilities required by aspirant CAs. Previously, the education programme was based on a knowledge-based syllabus, which was contribution driven rather than an output-based.

Strauss-Keevy (2014) outlines that according to SAICA, pervasive skills are divided into three categories, namely, ethical behaviour and professionalism; personal attributes; and professional skills. There are concerns, however, on whether the current form of training of accountants in South Africa manages to transfer these pervasive skills to aspiring accountants. This is what leads Strauss-Keevy (2014), after a substantial empirical research, to observe, a significant issue was the effects of the empirical research, which suggest that academics view the training programme and post- qualification (working as a CA (SA)) as more effective in the transfer of pervasive skills than the education programme. Furthermore, another concern is that the majority of academics are of the opinion that lecturers are not best suited to deliver pervasive skills to aspirant CAs (SA). As a remedy for this (rather unfortunate) perception by academics, Strauss-

Keevy (2014) opines and advises, it is clear that a better awareness needs to be created among researchers that the onus for the delivery of pervasive skills rests predominantly with them. It is therefore recommended that HODs at SAICA-accredited academic programmes should emphasise to lecturers that the task of ensuring that candidates are equipped with competencies rests largely on them. Moreover, there is obviously a misconception among academics that they are not eventually responsible for equipping candidates with all the competencies prior to the Initial Test of Competence (ITC). Thus SAICA should be stronger in its message that the obligation for the transfer of all competencies rests with academics during the education programme. Irrespective of the challenges faced by universities, academics should develop advanced methods to address the transferring of skills during their education programme.

These detailed insights corroborate earlier insights by Steenkamp (2012) who, with specific reference to the South African CA 2010 training programme (brought into effect by the 2009 Competency Framework), reveals, “the skills that should be developed during the new CA 2010 training programme are divided into three categories: compulsory skills, elective skills and residual skills. Compulsory skills include pervasive professional skills (such as ethics, communication skills and leadership) as well as accounting and external reporting. Under elective skills, a trainee can develop skills in one or more of the available focus areas, which are (1) strategy, risk management and governance, (2) financial management, (3) auditing and assurance, (4) taxation and (5) management decision-making. The focus area is determined by the industry and business activities of the training office. The trainees should gain detailed experience in both the compulsory and elective skills during the training programme. Residual skills refer to basic exposure to the remaining focus areas (those not chosen as an elective)” (Steenkamp, 2012, p. 486). The fact that ethics are included in compulsory skills underscores the importance of accounting ethics to the accounting profession. These insights point to the primacy of accounting ethics – as part of "pervasive skills" – in the overall training of (aspirant) accountants.

2.2 Theoretical Review

Epistemological interrogation, which ultimately leads to formulation and advancement of theory, is a core theme in accounting ethics literature. Some theories were used as a basis for this study; compliance theory, accounting theory, theory of rights, agency theory, institutional theory and ethical theory. The most relevant theory for this study is the Ethical Theory.

2.2.1 Compliance Theory

On its part, the basis of compliance theory is shaped by, the study of norms and observed manner in relation to those rules. Ethical standards adopted by professional associations [of which accounting ethics are an exemplar] are often dedicated applications of general moral standards (Petty, 2011).

2.2.2 Accounting Theory

Hendriksen (1985) specifies that accounting theory is based on a logical mentality in form of delineated and extensive ideologies which offers a universal referencing frame from which practices in accounting may be gauged upon, and more so, provides a guide for new practices and procedure in development. To be conclusively solving real-world accounting issues, accountants should have enough practical experience facilitated by their theoretical knowledge. The widely accepted principles of accounting, conventions, used customs, procedures, doctrines, and postulates have accounting theories (Coetsee, 2010). These theories shall be applicable in this study in order to depict the influences of accounting knowledge and skills on financial quality reports as developed by the accountant. Accounting theory has developed over the years by observation, assessments, scrutiny and scanning, and explanations on daily accounting practices (Waweru, Ntui, &Mangena, 2011). The daily accounting practices have been performed through successful usage of generally accepted and established theories and principles. Because of the changes within any country's socioeconomic structure, accounting patterns of practices could also change. In the event of any change within the accounting pattern, necessary modulations and modifications are needed on the pertinent theories. An accountant cannot contemplate of practicing without adequately getting equipped with the theoretical knowledge. Notwithstanding, that the theories of accounting could also help accountant professionals with solving real world practicing challenges that could arise in their professionalism (Coetsee, 2010). As such, knowledge of accounting, the integrity of the accountant and professional independence depicted by the accountant are important in influencing the quality of financial accounting reports.

2.2.3 Theory of Rights

Rand (1967) devised the theory of rights which depicts that human beings have an inherent and absolute worth which should be respected. Meaning that good decision making should respect other people's rights. Equally, a decision will be wrong if it violates the rights of another person. Generally, the underlined rights are segmented in two categories, that is; - Contractual or legal rights (these are rights that are shaped by social agreement), or natural rights (they independently exist from any legal structure). The natural rights are often referred to as constitutional or human rights. Within natural rights, critical to the functioning of accounting is the right to truthfulness

(Zeghal & Mhedhbi, 2016). All persons who use financial statements are obligated to the right of accessing accurate and truthful financial information that will facilitate their decision making for alternative investment strategies. The right provides a moral obligation for professional accountants and reporting entity to avail and issue, fair and truthful financial statements (Neidermeyer et al., 2012). On the other end, contractual and legal rights are vital for an accountant-employer or client relationship. With the contractual relationships employers and clients have contractual rights to demand for competent and professional accountants' financial reporting services. Correspondingly, accountants are legally obliged to execute their duties best as per their abilities and within their professional constraints. The accountant should therefore ensure that they have the requisite independence, expertise and integrity to perform their duties and deliver quality financial reports to the stakeholders (Copeland, 2015). This theory was therefore applied in the study to provide an insight on how objectivity, integrity and professional independence of the accountant can have an effect on the quality of financial reports.

2.2.4 Agency Theory

Agency theory recognizes the agency relationship where one party, the principle allots some tasks to another party referred as the agent. The agency theory was conceived in 1976 by Meckling and Jensen. The two posited that agency costs occur when there is separation between controls and the management. The Agency theory suggests that an accountant's appointment should be based on the needs of both the management and third parties. Adams (2014) asserts that the agency relationship may have a number of demerits associated with self-interest and opportunism of the agent where he may fail to perform in the best interest of the principle. There are various dimensions in relation to this where the agent misuses the power for financial or other advantages or he may not take appropriate risks in accordance to the principal's interest.

The cause of this can be the fact that agent perception of risks is not appropriate while the principal may have a differing attitude towards risk (Adams, 2014). Another issue that arises in the relationship is the information asymmetry whereby both parties have access to different levels of information. For financial institutions as well as the issue of corporate control, the agency theory perceives corporate governance especially financial reporting as being an important monitoring device to minimize the problem that may arise from the principal-agency relationship. The cost of monitoring and disciplining those people who try to prevent abuse and misuse of power have been referred to as agency cost. In relation to financial institutions, much of agency theory is set to separate the ownership and control as described in the work of Nagy and Cenker (2012). In this context, the principals are stakeholders and the agents are managers. For quality and effective financial reporting, integrity of the accountant, competence and independence are critical. Steven and Mitnick (2016) indicate that one requires both streams to see institutional structures as well as incentives to fully understand agencies. From agency point of view, the benefit of robust governance arises from the necessity to reconcile the management’s interests with the interests of other key stakeholders in an organization for the purpose of minimizing agency cost and improving the effectiveness in financial reporting. For this study therefore, agency theory was used to explain the link between objectivity, integrity and professional independence of accountants and quality of financial reporting.

2.2.5 Institutional Theory

The institutional theory describes how administrative practices and structures are formed through amendment caused by normative pressures of both internal and external sources like guidelines and laws (Mihret & Woldeyohanes, 2011). Many previous studies in financial reporting use institutional theories to explain their findings regarding the determinants of financial reporting efficiency in companies. Mihret and Woldeyohanes (2011) argue that institutional theory is an essential model for examining the effectiveness of financial reporting in corporate entities and the factors influencing it. It is an essential theory that can explain relationship between objectivity, integrity and professional independence of accountant and the resultant quality of financial reports. According to institutional theory, an institution is designed to meet social expectation because its operation is always visible to the public. For this reason, complex organizational internal operations that are difficult to identify may focus on the issue of external legitimacy through demonstrating skill. Most organizations operate with internal systems that are not commonly visible to those external to it while the structures established for outsiders do not add to output significantly. Smith (2015) posits that analysis by external auditors can be avoided if the organizations adopt the right structures. Loose technological combination enables the institutions to show achievement in external measures whereas at allowing for flexibility at the time of operational procedures. Financial organizations should be ready to account for high cost of adopting various innovations in the accounting department to ensure that the staffs are well trained to improve financial reports' quality. This theory was aligned to objectivity, integrity and professional independence of accountants.

2.2.6 Ethical Theory

Another strand of this interrogation is an attempt to define ethical theory – another theoretical base of accounting ethics. Ethical theory derives from "ethics", which "denote the abstract and theoretical reflection on moral judgements. Ethics asks for the ground on which moral statements are made. Why do we think something is good, right or acceptable" (Stahl, 2012, p. 641). Stahl (2012) further documents, prominent ethical theories comprise consequentialism and (Kantian) deontology. Utilitarianism, the most prominent consequentialist ethical theory pursues to compare the aggregated utility and disutility of each alternative action. The ethical decision is the one that maximizes overall utility. In essence, this approach focuses exclusively on the outcomes or consequences of decisions, which is the reason it is usually called ‘consequentialist’. Kantian deontology, on the other hand, takes a fundamentally different approach and evaluates the ethical quality of a decision according to the intention of the agent. Famously linked to the so-called categorical imperative, the ethical evaluation of a maxim depends on whether it can be universalized or imagined as a universal law. An alternative formulation stipulates that a maxim is ethically suitable if it treats humans as ends in themselves, not simply the means. The approach is called deontological (from Greek *deon*, ‘obligation, and duty’) because it concentrates on the duty-bound intention of the agent with little regard for consequences. The deontological approach is also referred as ‘formalism’ (Buys, et al., 2012). Buys, et al. add another approach to ethical theory, namely, ***‘virtue ethics’***.

When applied to accounting ethics, these strands of theory have had far reaching implications for the study and practice of accounting ethics over millennia. Drawing from the compliance theory, at the core of accounting ethics is a set of norms and observed conduct by accounting professionals in relation to these norms and a legitimate expectation that accounting professionals are duty-bound to comply with these norms. These norms form the ethical standards that have been adopted by accounting professionals in different formats, in different jurisdictions, often as specialized applications of general moral standards. This observation links the compliance theory as the base of accounting ethics to ethical theory (Buys, et al., 2012).

When applied to accounting ethics, ethical theory forms the basis upon which moral and value judgements in accounting ethics are posed and determined. It is the basis upon which what is “good”, “right” and “acceptable” in accounting ethics hinges upon. From consequentialism, accounting ethics derive their perpetual concern with the aggregated utility and disutility of every accounting decision and action with the ultimate aim of being able to determine and follow through with the accounting decision and action that exploit overall utility – holistically conceptualized. Consequentialism is at the core of legitimate expectations that the decisions and actions emanating from the accounting profession must and should always serve some form of greater good. From Kantian deontology, accounting ethics derive their perpetual search for ethical quality of accounting decisions on the basis of the intention of the accounting professional. Put differently, from Kantian deontology, accounting ethics derive their perpetual search from universal standards and benchmarks of ethical performance for the accounting profession. Again, in this sense, accounting ethics are not an end in themselves, but a means – albeit an important one – through which accounting professionals can actualise the ethical quality of their decisions (Rossouw, et al., 2011).

From virtue ethics, accounting ethics draw their emphasis on the moral character of the individual accountant. In this regard, accounting ethics reflect qualities, pride in a way that a classical career of a professional accountant has well-being as a penchant for justice, an abundance of courage in the face of difficult moral questions and judgements, as well as a manner of temperance in the execution of the accounting profession. In sum, from virtue ethics, accounting ethics draw their emphasis on excellence, practical wisdom and flourish as core aspects of the accounting profession. This analysis finds corroboration in literature such as of Buys, et al., (2012) who submit that in the framework of the financial accounting and accounting ethics, there are three methods that could definitely be appropriate. In reality, accounting has played a vital role in stirring the debate and playing a key role making people accountable for what they do and what they have done while being given the responsibility to make financial decisions. It is fitting to say it is because of the opinion of an accountant that a person can go to jail. The profession of accounting shapes individual to become better citizens, as the training is intense and allows for a change in character, believing in oneself and behaving more ethical, just for the sake of being respected. Critical study is similar but is inclined to be extra- normative in nature by proceeding with specific perspectives, boosting social criticisms and encouraging radical change (Maroun & Jonker, 2014). Because of this, there is a great deal of emergent complexity in the ever- changing corporate world in which accountants operate, such that it can safely be suggested that epistemological concerns will remain at the core of accounting ethics, as this field of applied ethics seeks to provide the moral scope to this noble profession.

To characterize the normative power of an ethical call is to characterize to whom it suitably applies and what circumstances must be satisfied for it to be correctly applied (Wong, 2008). In this endeavor, insights from some authors (Celuch & Dill, 2011) on the role of normative influence and ethical judgement in ethical decision contexts may come in handy. Celuch and Dill point out that to understand individual-level ethical decision-making and behavior, it is important to undertake theory-driven, programme research and to develop an understanding that moves beyond mere knowledge of rules or facts to a more nuanced perspective of how individuals weigh and combine various elements of experience related to ethical reasoning. They contend that for these to happen, there is a need to explore social psychological perspectives that explain intention and behavior (Celuch & Dill, 2011). From these insights, it can be deduced that epistemological advances in accounting ethics – in future research and practice – will need to consider and integrate insights from social psychology, especially as to how these impact on individual and collective intention and behavior. Ultimately, it is trusted that current theory-driven approach [will] contribute to future empirical efforts intended at developing a more nuanced understanding of how individuals combine numerous cognitions connected to ethical decision-making (Celuch & Dill, 2011).

2.3 Empirical Review

Different scholars in accounting parlance and social sciences have highlighted a variety of accounting ethics and previous studies led the expectation that accountants need to buckle up in the areas of ethics and quality financial reporting.

Mahdi and Mohsen (2011) carried out a study on the impact of professional ethics on financial reporting quality in Iran they employed a 24 item questionnaire and worked with a sample of 205 Iranian companies. The result of their findings showed that professional ethics have a significant impact on the quality of financial reporting. Masoud and Mahbude (2013) investigated the impact of professional ethics on financial reporting quality and found that developing professional ethics in accounting will help promote financial reporting quality. Tae and Jinhan (2011) examined the effect of business ethics on financial reporting quality using Korea firms. They found out that companies with a higher level of ethical commitment are engaged in less earnings management,

report earnings more conservatively, and predict future cash flows more accurately than those with a lower level of ethical commitment. We also find that corporate commitment to business ethics has perpetuating effects on future financial reporting quality.

Ogbonna and Appah (2011) investigated the effect of ethics on financial reporting quality in Nigeria using a sample of 123 accountants. The study found out that ethical compliance by the accountant positively and significantly affects the quality financial reports. Flugrath, Bennie & Chen (2007) conducted a study on ethics and financial reporting quality using a sample of 112 professional accountants using primary data. The results indicate that the presence of ethics has a positive impact on the quality of the judgement made by professional accountants. Berrone, suroca, Tribo (2009) carried out a study using 515 companies using OLS regression analysis. Their study reveals that a strong corporate ethical identity was positively related to high levels of stakeholder satisfaction. In turn stakeholder satisfaction had a positive influence on the financial performance of the firm.

Yosep (2016) explored the effect of accountant's objectivity on financial report's quality in Indian publicly lusted commercial banks. The author observed that IIA India had underlined the importance of objectivity in the practice of accounting and internal auditing internal. The standards indicate that accountants and internal auditors must be objective in carrying out their work. Objectivity of the accountants and internal auditors refers to the mental attitude individually. The study by Yosep (2016) indicated that banks which had objective auditors rarely provided qualified financial statements. The conclusion from the study was that objectivity of the accountant positively influenced quality of financial reports. Gras Gil, Marin Hernandez and Lema (2012) conducted a study on the objectivity of accountants Gras Gil, Marin Hernandez and Lema (2012) conducted a study on the objectivity of accountants and the extend of fiscal reporting in the Spanish banking industry. The aim of the study was to assess the connection between a firm's accountants' objectivity and the quality of its financial reporting. The study relied on the data collected from the Spanish banks' internal audit directors. The findings established that banks with more objective accountants and auditors provided high quality financial reporting. An extensive involvement of internal auditors in reviewing internal financial reports boosted the quality financial reporting. Stewart range of fiscal reporting in the Spanish banking industry. The aim of the study was to assess the connection between a firm's accountants' objectivity and the quality of its financial reporting. The study relied on the data collected from the Spanish banks' internal audit directors. The findings established that banks with more objective accountants and auditors provided high quality financial reporting. An extensive involvement of internal auditors in reviewing internal financial reports boosted the quality financial reporting. Stewart

Ogbonna and Ebimobowei (2012) investigated how Ethical Accounting Standards impact on Nigerian Banks' Financial Reports. To attain the study's objectives, both secondary and primary material formed as sources of the research data. These secondary sources included journals, textbooks, and unpublished thesis. The primary data was gathered using a well-structured questionnaire with four sections composed of 67 questions given to a sample size of eight banks and systematically gathered among twenty-four Nigerian banks. The information gathered on the questionnaires was then analyzed using models of econometric like Augmented Dickey-Fuller, diagnostic tests, Granger Causality, and ordinary least square. The findings showed that standards of ethical accounting were extensively linked with the financial reports of Nigerian banks. Eginiwin and Dike (2014) explored the impact of accounting ethics financial reporting quality among some sampled Nigerian oil producing and exploration companies. The research found some important accounting ethics variables that were included in the research which entailed independence, integrity, objectivity, accountability and competence and accountability. One hundred and thirty-three questionnaires were administered to the sampled twenty oil producing ad exploration companies, while the analyzed data was tabulated from 118 questionnaires filled from the field work. The multiple regression technique was used to analyze the gathered data using E-view statistical package. The findings indicated that there was positive relationship relating ethics in accounting and financial reporting quality in regard to return on investment, dividend per share, and earnings per share

2.4 Implication of the Review to the Current Study

The review of empirical literature presented here has indicated that while several studies have been carried out on impact of accounting effects on financial report, however little research to our understanding has been done to explore certain issues surrounding this study especially as it relates accounting ethics on quality financial reporting in Nigeria. The review has also necessitated the criticism of theories used in other studies to enable a better understanding.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter discusses the method and procedures employed in carrying out the research. It also discusses the research design, population of the study, sampling technique and sample size, data collection method. The methods employed for data analysis which include Econometric View (E-view), regression analysis and the model specification were also discussed.

3.1 Research Design

The study adopted the survey research design which seek to elicit the objective opinion of the respondents on ethics and financial reporting. To achieve the aims and objectives of the study the design is structured in such a way that it is also based on the research question of the study. This design is a proper, objective, orderly process in which numerical information are used to get data from the desired population.

3.2 Population of the Study

This research seeks to investigate the effect of accounting ethics on the quality of financial reporting in Nigeria using deposit money banks. As at December 2018 there are 21 deposit money banks, 9 with International Authorization, 10 with National Authorization, 2 with Regional Authorization. Hence the population of this study are the employees of the selected deposit money banks which are Guaranty Trust Bank Plc, Access Bank Plc and Zenith Bank Plc.

3.3 Sampling Technique and Sample Size

A comprehensive questionnaire was designed to capture the necessary information from three (3) out of nine (9) deposit money banks with International Authorization. However, because of time and other constraints, a sample of 20 employees was selected each from the total population of the three (3) deposit money banks out of nine (9) deposit money banks with International Authorization to make inferences which represents 33% of total number of deposit money banks licensed with International Authorization. According to Eze juolu and Ogwo (1990), a minimum of 10% of the population is considered appropriate for sampling.

3.4 Data Collection Instrument and Validation

As stated by Ogunboye (2012), there are two different methods of data collection which are the primary and secondary method of data collection. The primary method of data collection includes the use of questionnaire and personal interview, while the secondary method of data collection emphasizes the use of data collected by others for the records or previous work, this involves obtaining data from journals, bulletins, and other publications like annual reports, Nigeria stock exchange official reports etc. For the purpose of this research work, primary method of data collection was adopted in the course of data collection for this study. Therefore, questionnaire was adopted as the data collection instrument for the collection of primary data for the study.

The questionnaire was designed in two separate sections: A and B. The questions in section A is to collect relevant information about the background of the target respondents (their Biodata). Section B contains relevant questions meant to solicit the desired response on various aspects of leadership styles and workers performance. Also, it consists of opinions centered on the remaining part of the stated research questions, with which one can assess the impact of leadership styles on workers performance. The six-point response scale adopted was Likert Scale Type which ranges from strongly agree to strongly disagree (strongly agree, agree, fairly agree, fairly disagree, strongly disagree, disagree).

3.5 Validity and Reliability of the Instrument

The said questionnaire was subjected to pass through a two-phase pre-test process in order to enhance its validity and reliability. In the first pre-test stage, the questionnaire was presented to the Supervisor for constructive criticisms and necessary corrections. The elicited responses was also appropriately tested with Test-Retest Reliability.

3.6 Method of Data Analysis

The collected data was analyzed using descriptive and inferential statistics. The descriptive statistics involves the use of Frequency table and percentages while the inferential statistics involves the use of Ordinary Least Square Regression (Panel data analysis). Also, data from the completed questionnaire was checked for consistency. The items are grouped based on the responses of the respondents. Cross tabulation was done on the demographics and the impact of leadership style on workers performance was determined by Econometric View (E-view) through Regression Analysis.

3.7 Model Specification

The model specification used in this study is based on the description of the relationship between the dependent and independent variables of the research work. The economic model used in the study is given as:

$FR = \alpha_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon_i$

Where: FR= Financial Reporting

α_0 = Constant

β_1 = Regression coefficient related to the accounting ethics

X_1= Objectivity

X_2= Integrity

X_3= Professional Independence

ε_i= Error term

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF RESULT

4.0 INTRODUCTION

This study made use of data sourced from administered questionnaire and coded in secondary data format. This section provides an in-depth description on the empirical study of the impact of Accountants' Objectivity (OBJ), Integrity (INT) and Professional Independence (PROF_IND) on Financial Reporting of selected Deposit Money Banks in Nigeria. An attempt is also made to accept or reject the validity of the hypotheses stated earlier in this study and to make generalized opinion on the relationship.

The data gathered were then subjected to various econometric tests using EVIEWS Version 7.1.

4.1.1 SUMMARY STATISTICS OF VARIABLES

TABLE 4.1: Summary Statistics of the Variable of Study

	FINANCIAL_REPORTING	OBJ	INT	PROF_IND
Mean	55.33333	23.30000	25.80000	25.05000
Median	53.50000	21.50000	22.50000	25.00000
Maximum	74.00000	28.00000	30.00000	29.00000
Minimum	32.00000	18.00000	19.00000	18.00000
Std. Dev.	11.29672	3.093459	2.880678	2.806922
Skewness	-0.420980	-0.252755	-0.518927	-0.761072
Kurtosis	2.372432	1.727487	2.669694	3.030737
Jarque-Bera	2.756846	4.687076	2.965610	5.794668
Probability	0.251976	0.095987	0.227000	0.055170
Sum	3320.000	1398.000	1548.000	1503.000
Sum Sq. Dev.	7529.333	564.6000	489.6000	464.8500

Source*:* Author's Computation, 2019

The above table shows the summary statistics of the dependent and independents variables used for the study. The distribution used a total 60 observations and 4 variables spanning from questionnaires distributed to Selected Deposit Money Banks in Nigeria. The mean distribution shows a total of 55.33333 for Financial Reporting, 23.30000 for Objectivity, 25.80000 for Integrity and 25.05000 for Professional Independence. Since the means of these variables were all greater than their respective median value, this illustrates that they are all skewed to the right.

A good rule of thumb for a normal distribution is that approximately 68% of the values fall within one standard deviation of the mean, 95% of the values fall within two standard deviations, and 99.7% of the values fall within three standard deviations. Hence, Objectivity, Integrity and Professional Independence showed a greater spread in the data.

4.1.2 PRESENTATION OF DEMOGRAPHICS

Table 4.2: Gender Distribution of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	35	58.3	58.3	58.3
	Female	25	41.7	41.7	100.0
	Total	60	100.0	100.0	

Source*:* Author's Computation, 2019

Table 4.2 above shows sex distribution of respondents. 58.3% of the respondents were Male while 41.7% were females. Hence, finding reveals that majority of the respondents were males.

Table 4.3: Age Distribution of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 25 Years	15	25.0	25.0	25.0
	Between 26 and 35 Years	32	53.3	53.3	78.3
	Between 36 and 45 Years	10	16.7	16.7	95.0
	46 and above	3	5.0	5.0	100.0
	Total	60	100.0	100.0	

Source*:* Author's Computation, 2019

On age of the respondents, 25% of the respondents were below 25 years of age, 53.3% between 26 and 35 years, 16.7% between 36 and 45 years while 5% were 46 and above. Therefore, majority of respondents for this study were between the ages of 26 and 35 years.

Table 4.4: Education Distribution of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	WAEC/SSCE/GCE/NECO	3	5.0	5.0	5.0
	OND/NCE	3	5.0	5.0	10.0
	HND/BSC	30	50.0	50.0	60.0
	MSC/MBA/PHD	24	40.0	40.0	100.0
	Total	60	100.0	100.0	

Source*:* Author's Computation, 2019

With respect to highest education qualifications of the respondents, findings from above table shows that 50% had university/polytechnic education, followed by 40% who had Masters/MBA/PhD, 5% had OND/NCE while 5% also had had first degree as their highest level of education. Hence, majority of the respondents had University/Polytechnic education.

Table 4.5: Distribution of Respondents' Years of Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5 Years	30	50.0	50.0	50.0
	6-10 Years	18	30.0	30.0	80.0
	11-15 Years	9	15.0	15.0	95.0
	15 and above	3	5.0	5.0	100.0
	Total	60	100.0	100.0	

Source: Author's Computation, 2019

Table above depicts working experience of the respondents. However, finding shows that 50% of the respondents had been working in the bank for 1 – 5 Years, 30% had 6 – 10 years of experience, 15% had 11 – 15 years while 5% had 15 and above years of experience with the banks. Thus, majority of the respondents for this study had 1 – 5 years of experience.

4.2 TEST OF HYPOTHESIS

H_01 - *Objectivity as an accounting ethical principle does not have significant effect on the quality financial reporting in Nigeria deposit money banks.*

Table 4.6: Test of Hypothesis on Objectivity and quality Financial Reporting

Dependent Variable: FINANCIAL_REPORTING

Method: Least Squares

Date: 07/23/19 Time: 15:45

Sample: 60

Included observations: 60

Variable	Coefficient	Std. Error	t-Statistic	Prob.
ETHICS	1.752386	0.452959	3.868750	0.0003
C	18.29958	9.661951	1.893983	0.0632

R-squared	0.205123	Mean dependent var	55.33333
Adjusted R-squared	0.191418	S.D. dependent var	11.29672
S.E. of regression	10.15814	Akaike info criterion	7.507194
Sum squared resid	5984.897	Schwarz criterion	7.577005
Log likelihood	-223.2158	Hannan-Quinn criter.	7.534501
F-statistic	14.96722	Durbin-Watson stat	1.804990
Prob(F-statistic)	0.000280		

Source*:* Author's Computation, 2019

Individual analysis of Ordinary Least Square (OLS) regression is presented in the table above. The result of the analysis above shows the relationship between ethics captured by objectivity and financial reporting quality. The result of the analysis shows a R-square of 0.21 indicating that 21 percent of systematic variation in financial report objectivity has been explained by the explanatory variable. The result further reveals that objectivity had a positive and significant relationship with financial information. The prob (F-stat) is 0.0003 indicating that the model is significant at 5%. Since the rule of thumb of auto correlation says that Durbin Watson coefficient should be approximately 2, hence the Durbin Watson value of 1.80 indicates the absence of auto correlation.

Therefore, we would reject the null hypothesis and upholds the alternate hypothesis by concluding that, objectivity as an accounting ethical principle have a positive and significant effect on the quality financial reporting in Nigeria deposit money banks.

H_ (02)– Integrity as an accounting ethical principle does not have significant effect on the quality of financial reporting in Nigeria deposit money banks

Table 4.7: Test of Hypothesis on Integrity and Quality Financial Reporting

Dependent Variable: FINANCIAL_REPORTING

Method: Least Squares

Date: 07/23/19 Time: 15:46

Sample: 60

Included observations: 60

Variable	Coefficient	Std. Error	t-Statistic	Prob.
INTEGRITY	1.227533	0.489047	2.510049	0.0149
C	23.66299	12.69452	1.864031	0.0674

R-squared	0.097983	Mean dependent var	55.33333
Adjusted R-squared	0.082431	S.D. dependent var	11.29672
S.E. of regression	10.82111	Akaike info criterion	7.633639
Sum squared resid	6791.586	Schwarz criterion	7.703450
Log likelihood	-227.0092	Hannan-Quinn criter.	7.660946
F-statistic	6.300345	Durbin-Watson stat	1.752176
Prob(F-statistic)	0.014884		

Source*:* Author’s Computation, 2019

Table 4.7 above shows the relationship between integrity in the accounting field and quality financial reporting quality. A glance at the analysis shows a R-square of 0.097 indicating that 9 percent of systematic variation in financial report integrity has been explained by the explanatory variable. The result further reveals that integrity had a positive and significant relationship with financial information. The prob (F-stat) is 0.014 indicating that the model is significant at 5%. Since the rule of thumb of auto correlation says that Durbin Watson coefficient should be approximately 2, hence the Durbin Watson value of 1.75 indicates the absence of auto correlation.

Hence, the alternate hypothesis is accepted. From the findings, Integrity as an accounting ethical principle have significant effect on the quality of financial reporting in Nigeria deposit money banks.

H_ (03)- Professional independence does not have significant effect on the quality of financial reporting in Nigeria deposit money banks.

Table 4.8: Test of Hypothesis on Professional Independence and Quality Financial Reporting

Dependent Variable: FINANCIAL_REPORTING

Method: Least Squares

Date: 07/23/19 Time: 15:47

Sample: 60

Included observations: 60

Variable	Coefficient	Std. Error	t-Statistic	Prob.
PROFESSIONALIT				
Y	1.914596	0.464826	4.118953	0.0001
C	7.372701	11.71555	0.629309	0.5316

R-squared	0.226314	Mean dependent var	55.33333
Adjusted R-squared	0.212974	S.D. dependent var	11.29672
S.E. of regression	10.02182	Akaike info criterion	7.480172
Sum squared resid	5825.343	Schwarz criterion	7.549984
Log likelihood	-222.4052	Hannan-Quinn criter.	7.507479
F-statistic	16.96577	Durbin-Watson stat	1.571651
Prob(F-statistic)	0.000122		

Source: Author's Computation, 2019

A glossary glance at the Table 4.8 above displays the relationship between professional independence and quality financial reporting quality. From the analysis, R-square of 0.22 indicating that 22 percent of systematic variation in financial report professional independence has been explained by the explanatory variable. Also, the analysis further shows that professional independence had a positive and significant relationship with quality financial information. The prob (F-stat) is 0.0001 indicating that the model is significant at 5%.

Since the rule of thumb of auto correlation says that Durbin Watson coefficient should be approximately 2, hence the Durbin Watson value of 1.75 indicates the absence of auto correlation.

Therefore, the alternate hypothesis is accepted. From the findings, professional independence has significant effect on the quality of financial reporting in Nigeria deposit.

4.3 MULTIPLE REGRESSION

Table 4.9 Least Square (Multiple Regression)

Dependent Variable: FINANCIAL_REPORTING

Method: Least Squares

Date: 07/23/19   Time: 15:11

Sample: 60

Included observations: 60

Variable	Coefficient	Std. Error	t-Statistic	Prob.
INTEGRITY	0.236444	0.675836	0.0349854	0.07278
OBJECTIVITY	0.510768	0.651218	0.0284328	0.04362
PROFESSIONALITY	0.208933	0.636860	0.0328067	0.00341
C	86.96775	21.44660	4.055084	0.00002

R-squared	0.936343	Mean dependent var	75.93333
Adjusted R-squared	0.926353	S.D. dependent var	12.97438
S.E. of regression	13.20810	Akaike info criterion	8.063878
Sum squared resid	9769.422	Schwarz criterion	8.203501
Log likelihood	237.9164	Hannan-Quinn criter.	8.118493
F-statistic	0.310132	Durbin-Watson stat	1.523874
Prob(F-statistic)	0.817961		

Source*:* Author’s Computation, 2019

$FR = \alpha 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \mathcal{E}i$ --------- *Regression Model*

or

$FR = \alpha 0 + \beta 1OBJ + \beta 2INT + \beta 3PROD\_IND + \mathcal{E}i$ --------- *Regression Model*

Where: FR= Financial Reporting

α0 = Constant

β1, β2, β3= Regression coefficient related to the accounting ethics

X1 or OBJ= Objectivity

X2 or INT= Integrity

X3 or PROF_IND= Professional Independence

Ɛ i= Error term

Table 4.10: Regression result Summary-Model 1

Variable	**Coefficient**	**Standard error**	**T-statistic**	**Probability**
Constant	86.96775	21.44660	4.055084	0.00002
OBJ	0.510768	0.651218	0.0284328	0.04362
INT	0.236444	0.675836	0.0349854	0.07278
PROF_IND	0.208933	0.636860	0.0328067	0.00341

Source*:* Author’s Computation, 2019

A glossary glance at the Table 4.9 and Table 4.10 above displays the Multiple Regression Analysis of the dependent (Financial Reporting), FR, Objectivity (OBJ), Integrity (INT) and Professional Independence (Prof_Ind). From the analysis, R-square of 0.93 indicating that 93 percent of systematic variation in quality financial reporting has been explained by the explanatory variable. Also, the analysis further shows that all the independent variables (Objectivity, Integrity and Professional Independence) have a positive and significant relationship with quality financial information.

Since the rule of thumb of auto correlation says that Durbin Watson coefficient should be approximately 2, hence the Durbin Watson value of 1.51 indicates the absence of auto correlation.

Therefore, the alternate hypothesis is accepted. From the findings, the independent variables have significant effect on the quality of financial reporting in Nigeria deposit money banks.

The regression analysis can be summarized as follows:

$$FR = 86.96775 + 0.510768OBJ + 0.236444INT + 0.208933PROD\_IND + \varepsilon i$$

From the above, the degree of coefficient of Objectivity is the highest and this portrays high importance respondents placed on it. This is followed by Integrity and then consequently Professional Independence. All these variables are positive and significant individually and should be considered while preparing financial report.

4.5 DISCUSSION OF FINDINGS

The results of the research study show a high percentage of the population agreed that accounting ethics is paramount to quality financial report amongst the selected deposit money banks in Nigeria. Given the fact that about 90% of the respondents were of the opinion that objectivity, integrity, and professional independence were significant in the model. These conclusions infer that improvement in skill set and competence of accountants is expected to lead to improvement in the quality of financial reports. The result is also in agreement with the institutional theory as noted by Mihret and Woldeyohanes (2011), that an institution needs effective systems, processes and competent human resources to perform its functions effectively. With high competence, commitment and dedication of accountants during the preparation of financial report, the endpoint would always be high quality report. The result of this study also conforms with the findings by Stewart and Subramaniam (2010) that having competent employees in handling of accounting and finance is fundamental for their effective and efficient operation. Financial reporting activities require knowledgeable staff with the appropriate education, experience and professional qualification to perform a wide range of accounting tasks audits required. Also, findings from the report imply that there is a strong positive relationship between professional independence of accountants and high quality of financial reports. This finding is in corroboration with the agency theory by Meckling and Jensen (1976). This theory opines that when the auditors and accountants are independent, they are able to provide an accurate account of transactions by the firm to the third parties interested in financial reporting from the firm. Moreover, the findings support the assertion by Adams (2014) that to reduce possibility of self-interest and opportunism by management, there needs to be independent auditors and financial reporters. The study findings also support the findings by Al-Matari et al. (2014) that independence of accounting team significantly and positively influence quality of financial reports. This implied that as accounting team becomes more independent from the influences of management, the efficiency of the output of accounting department improve. Study results indicated that objectivity of accountants was positively and significantly associated with quality of financial reports (β = 0.510; p < 0.05). which further confirmed the findings by Gras et al. (2012) who conducted a study on the objectivity of accountants and the extend of fiscal reporting in the Spanish banking industry. The findings from the study by Gras et al. (2012) established that banks with more objective accountants and auditors provided high quality financial reporting. Furthermore, the findings from the current study agree with the findings by Yosep (2016) who explored the effect of accountant’s objectivity on financial report’s quality in Indian publicly lusted commercial banks. The study by Yosep (2016) indicated that banks which had objective auditors rarely provided qualified financial statements. The conclusion from the study was that objectivity of the accountants positively influenced quality of financial reports. The results in Table 4.10 reveal that integrity of accountants had a positive and significant effect on quality of financial reports (β = 0.2364; p < 0.05). These findings support the findings by Eginiwin and Dike (2014) which found progressive relationship between accounting ethics and accounting and financial reporting quality. Moreover, the findings also support the findings by Ogbonna and Ebimobowei (2012) who investigated how Ethical Accounting Standards impact on Nigerian Banks’ Financial Reports. The findings showed that standards of ethical accounting were extensively linked with the financial reports of Nigerian banks.

CHAPTER FIVE

SUMMARY, RECOMMENDATIONS AND CONCLUSION

5.1 SUMMARY OF THE FINDINGS

This research was conducted with a view to investigating the “effect of accounting ethics on the quality of financial reporting in the Nigerian deposit money banks and the objectives of this research include the following;

i. To examine the effect of objectivity on the quality of financial reporting in Nigeria deposit money banks.
ii. To examine the effect of integrity on the quality of financial reporting in Nigeria deposit money banks.
iii. To evaluate the effect of professional independence on the quality of financial reporting in Nigeria deposit money banks.

60 questionnaires were shared to 3 different deposit money banks in Nigeria to get response from their employees which include accountants, economist, etc. Other relevant materials were gathered from other secondary sources. A model was adopted in this study and estimated through Multiple regression Analysis (OLS)

The Multiple Regression Analysis was used to indicate the relationship between Financial reporting, Objectivity, Integrity and Professional Independence as it relates to Nigeria deposit money banks. The data gathered were then subjected to various econometric tests using EVIEWS Version 7.1

The findings from the coefficient of Regression Analysis Model from the previous chapter shows that all explanatory variables such as Accountants' Objectivity, Integrity and Professional Independence were positive and significant. However, the level of significance differs. Objectivity has the highest level of significance, followed by Integrity and Professional Independence. Hence, the model was a true picture of the Nigerian deposit money banks.

The findings revealed Objectivity, Integrity and Professional Independence has a significant impact on the quality financial reporting in selected deposit money banks in Nigeria. In Table 4.10, the intercept is 86.96775, this indicates that if all explanatory variables such as accountant Objectivity, Integrity and Professional Independence were held constant, financial reporting would stay at 86.98 all things being equal.

5.2 CONCLUSIONS

The analysis of the data showed that accounting ethics had a significant relationship with financial reporting quality. The result is consistent with the study of Ogbonna & Appah (2011) that ethics in the accounting profession is fundamental in the quality of financial reports of organizations. Thus, ethical norms and codes as they relate to the accountancy profession need to be enforced (regulation theory) in order to maintain the relevance of the accounting profession to the society (social contract theory).

This study has formed empirical indication which advocates a positive relationship between perceived professional independence of the reporting accountant and financial statement understandability by the financial statement user. The inherent nature of man to pursue self-interest is by itself, a justification for the existence of law, without which society is likely to degenerate into self-destruction. In the same token, professional practice requires some measure of ground rules to which the members of the profession are expected to comply with.

5.3 RECOMMENDATIONS

From the summary of the findings and conclusion above, this study provides the following recommendations for policy makers, government agencies and appropriate authority for improvement on Nigeria external debt. Suggestion to be considered the following:

i. Accounting bodies such as ICAN, ANAN, etc should provide regular trainings for accountant to keep them abreast of the recent changes in the field. includes
ii. Firms should endeavor to improve upon their recruitment process in order to recruit men and women with high level of ethical standing would be employed. Men with adequate knowledge of financial statement should be employed at all levels of accounting areas.
iii. Corporate firms in should, as a matter of importance, launch autonomous department that should enforce, ethics and compliance department to direct and monitor ethics implementation in their day-to-day operations.
iv. Financial Reporting Council of Nigeria (FRCN) and other regulatory bodies should intensify effort to compel firms to comply strictly to the financial reporting framework issued by the International Financial Reporting Standards for better and more acceptable financial reports.
v. The commercial banks should continually develop their accounting staff both internally and sponsoring them for educational seminars or workshops. Risks in the banking sector are evolving and the accounting employees need to have high competence in detecting and preventing losses from fraud and other such risks. Hence, accounting staff should

become continually developed in use of IT in accounting and auditing as most functions of the commercial banks are being carried out in an IT environment

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Appendix

Department of Accounting

College of Management Science,

Mountain Top University,

Km 12, Lagos-Ibadan exp. way,

Ogun state.

June, 2019.

Dear Sir/Madam,

REQUEST FOR YOUR COOPERATION IN COMPLETING THIS QUESTIONNAIRE

I am an undergraduate undergoing the Bachelor's degree programme in Accounting from Mountain Top University. As part of the requirement for the programme, I am undertaking a study on the effect of accounting ethics on quality of financial reporting in the Nigerian deposit money banks. In this regard, you have been duly selected as a member of the sample.

I wish to appeal to you to assist this study by kindly sparing a few minutes to complete this questionnaire. You are not required to disclose your identity. I also wish to assure you that your answer will be treated in strict confidence and used for the stated academic purpose only.

SECTION A: PERSONAL DATA

Instruction: Tick [√] the appropriate box as relating personality.

1. Branch:
2. Sex: Male [ ] Female [ ]
3. Age: Below 25 years [ ] Between 26 and 35 years [ ] Between 36 and 45 years [ ] 46 and above [ ]
4. Educational Qualification: WAEC/SSCE/GCE/NECO [ ] OND/NCE [ ] HND/B.SC [ ] M.SC/MBA/PH.D [ ]
5. Working Experience: 1-5 [ ] 6-10 [ ] 10-15 [ ] 15 and above [ ]

SECTION B

Below are list of statement that may affect your assessment on the effect of ethics on financial reporting quality. Kindly indicate the extent which you agree or disagree with the statement using the following.

SA	Strongly Agree
A	Agree
FA	Fairly Agree
FD	Fairly Disagree
SD	Strongly Disagree
D	Disagree

i. Effect of Accounting Ethics on Quality of Financial Reporting

S/NO	STATEMENTS	SA	A	FA	FD	SD	D
1.	High ethical standards promotes quality of financial reporting.						
2.	The quality of financial reporting is affected by situational factors surrounding the accountant.						
3.	There is lack of awareness on the effect of accounting ethics on quality of financial reporting.						
4.	Ethics has not been sufficiently taught in our institutions of learning.						
5.	Ethics has no influence on quality of financial reporting.						

ii. Effect of Objectivity on the Quality of Financial Reporting in Nigeria

S/NO	STATEMENTS	SA	A	FA	FD	SD	D
1.	The objective presentation of financial statement is not affected by ethical values established in this bank.						
2.	Financial statements should be prepared and presented in accordance with ethical guidelines within this bank.						
3.	Professional accountants are always unbiased in the preparation of financial statements.						
4.	The value system of professional accountants affects the objective presentation of financial statement.						
5.	Ethical standards are duly observed in the presentation of financial statement in this bank.						

iii. Effects of Integrity on the Quality of Financial Reporting in Nigeria

S/NO	STATEMENTS	SA	A	FA	FD	SD	D
1.	Obedience to high ethical standards helps boost the integrity of financial statements.						
2.	Accountants engaging in insider dealings tend to compromise the integrity of financial report.						
3.	Acceptance of gift items by professional accountants affects the integrity of financial report.						
4.	The existence of ethical committee in an organisation positively influences financial report integrity.						
5.	Violation of ethical core values weakens the integrity of financial reports.						

iv. Effects of Professional Independence on the Quality of Financial Reporting in Nigeria

S/NO	STATEMENTS	SA	A	FA	FD	SD	D
1.	Accountants in this bank have analytical independence that protects their ability to implement the policies in whatever manner they consider necessary.						
2.	Accountants in this bank have programming independence that protects their ability to select appropriate strategies.						
3.	Accountants have unhindered access to all employees, units, and departments in the bank.						
4.	The comments and opinions expressed in financial reports are objective and unbiased.						
5.	Accountants report to the uppermost management level within the bank (board or management committee).						