

ACCOUNTING ETHICS AND FINANCIAL REPORTING CREDIBILITY IN NIGERIA

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ABSTRACT

Financial statements produced through financial reporting process forms the basis for stakeholders' decision hence its credibility must not be compromised. The study investigated the relationship between accounting ethics and financial reporting credibility. The study adopts positivist paradigm and descriptive survey design and targets practicing accountants, auditors, financial controllers, and finance managers across public and private organizations within Nigeria, particularly members of professional bodies like ICAN and ANAN. Stratified random sampling and personal judgement were combined to arrive at 150 sample size. Primary data was collected using the modified 4-point Likert scale questionnaires while data analyses was executed using linear regression. Findings showed that integrity, objectivity, professional competence and due care, and professional behaviour are significantly related with financial statement credibility with 0.000 and 0.629, 0.000 and 0.778, 0.000 and 0.778, and 0.001 and 0. and 0.575 p-values and r^2 values respectively. While confidentiality has insignificant relationship with FRC with p and r^2 values of 0.416 and 0,048. The result further showed a very high correlation between combined dimensions of accounting ethics and financial reporting credibility and a significant relationship at 0.879 and 0.000. The study recommended prioritising integrity; promote policies that identify and mitigate conflicts of interest; organise continuous professional development programmes to build competence; confidentiality policies should be institutionalized within financial reporting frameworks; create ethics helpdesks where professionals can seek advice in grey areas of decision-making; and comprehensive ethical compliance framework should be developed and adopted. The study concludes that accounting ethics relates significantly with financial statement credibility.

Key words: *Accounting ethics, financial reporting credibility, integrity, objectivity, professional competence and due care, confidentiality, professional behaviour*

INTRODUCTION

Study Background

Maintaining the integrity and credibility of financial reporting as well as ensuring stakeholders have faith in financial statements depend heavily on accounting ethics. However, the demise of businesses and the rise in fraudulent activity discovered recently are raising concerns about the integrity of the accounting profession (Ogoun & Ephibayerin, 2020). The relevance of ethical behaviour in accounting is highlighted by the growing number of corporate scandals, such as those involving Enron, WorldCom, Bank of Credit, Global Crossing, Parmalat, Commerce International, Polly Peck, Cadbury, and Wirecard, among others. Accordingly, unethical behaviour has the potential to deceive investors, falsify financial reporting, and undermine public confidence in financial systems (Ezeani, 2012). Therefore, the integrity, dependability, and transparency of financial reporting depend heavily on the ethical behaviour of accounting professionals.

Ethically prepared financial reports help lenders, shareholders, regulators, and other users make well-informed decisions. However, financial reporting still has credibility problems in spite of governmental scrutiny and professional rules of ethics. Financial reports that do not give a realistic and fair picture or position of an organization's financial performance or condition are encountered frequently by stakeholders. Concerns regarding the practical efficacy of ethical standards are raised

by the continued prevalence of cases involving financial misstatements, false reporting, and unethical accounting procedures. Therefore, it is necessary to get professional opinions on the impact of accounting ethics on the credibility of financial statements.

Statement of the Problem

Numerous business failures and inconsistencies in public sector accounting have put the credibility of financial reports in Nigeria to the test. Off-statement of financial position transactions, unrecorded liabilities, accounting manipulations, and non-compliance with International Financial Reporting Standards (IFRS) are all common topics in reports from the Economic and Financial Crimes Commission (EFCC) and the Financial Reporting Council of Nigeria (FRCN). These problems point to a disconnect between theoretical ethical standards and their actual application, as well as a structural deficiency in the ethical disposition of accounting professionals. Yet, professional accounting bodies globally have their code of conducts with the aim that professional accountants adhere to the code of conduct and become ethical accountants. This prompted the need to investigate the relationship between accounting ethics and financial report credibility.

Objectives of the Study

The main objective of this study is to look into the relationship between accounting ethics and financial reporting credibility. The specific objectives are to examine the relationship between;

- i. integrity and financial reporting credibility.
- ii. objectivity and financial reporting credibility.
- iii. professional competence and due care and financial reporting credibility.
- iv. confidentiality and financial reporting credibility.
- v. Professional behaviour and financial reporting credibility.

Statement of Hypotheses

Five hypotheses formulated in the null form were tested.

Ho₁: There is no significant relationship between integrity and financial reporting credibility.

Ho₂: There is no significant relationship between objectivity and financial reporting credibility

Ho₃: There is no significant relationship between professional competence and due care and financial reporting credibility.

Ho₄: There is no significant relationship between confidentiality and financial reporting credibility.

Ho₅: There is no significant relationship between professional behaviour and financial reporting credibility.

Ho₅: The combination of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour have significant impact on financial reporting credibility.

Literature Review

Conceptual Review

Accounting Ethics

Ethics is not the same thing as feelings, religion, being legal, adhering to culturally accepted norms, science, values or morality. Ethics can be defined as a system of morals or standards of behaviour, a book on morality, or the discipline of philosophy that studies human character and behaviour. As a field of philosophy, ethics seeks to resolve moral dilemmas (The Institute of Chartered Accountants of Nigeria (ICAN), 2010). Ethics is a subspecies or subset of business ethics is accounting ethics. According to Mintz and Morris (2010), accounting ethics are a set of moral precepts and professional norms that influence how accountants behave and make decisions. The public's trust in the accounting profession and its professionalism depends on these ethical standards.

Transparency, fraud prevention, and the public interest are all upheld when accountants act ethically (Bhasin, 2016). For example, the Sarbanes-Oxley Act of 2002 and other post-Enron regulations emphasize the importance of honest financial reporting in restoring and rebuilding public confidence.

Al-Dmouret al. (2018) observed that the overall quality of financial reports can be improved by putting in place a strong system foundation that covers availability, security, integrity, confidentiality, and privacy.

Integrity

Integrity is the quality of a person's traits or characteristics that shows how consistently their behaviours, values, steps, measures, principles, hopes to be guided, and results are all consistent (Rosalina, Irianto, Novianti, & Firmanto, 2018). In all business and professional interactions, a professional accountant has a duty to be honest, truthful and straightforward. The idea of integrity is associated with honesty and fair dealing. Integrity is the trait or quality of being truthful and possessing high moral standards. In all corporate and professional interactions, accountants must be honest, straightforward, direct and truthful. Integrity is the cornerstone of trust, according to the International Ethics Standards Board for Accountants (IESBA) (2022). The integrity of financial reports is jeopardized and become untrustworthy when accountants alter data to suit their own interests and making them unreliable.

Integrity is essential to financial statements' credibility. When accountants maintain their integrity, they reject and resist pressure to conceal liabilities or alter earnings. This guarantees that financial reports accurately depict an organization's actual financial situation and its economic reality (Duska et al., 2018).

Objectivity

According to Lodikero (2023), objectivity is the ability of an internal auditor to avoid letting prejudice, conflicts of interest, or undue influence from others affect their professional or business decisions. Because of bias, undue influence from others, or even conflicts of interest, professional accountants are required to refrain from negotiating their business of professional judgment. When a circumstance or relationship unreasonably affects or distorts the accountant's professional judgment regarding a service, he should not provide it (ICAN, 2010). Objectivity entails freedom from bias, conflicts of interest, or undue influence. Particularly when preparing financial reports that affect management and investment decisions, accountants must make sure their judgment is not influenced or compromised. Objectivity promotes fair and neutral representation of a firm's financial position.

In order to ensure impartial financial reporting, objective accountants steer clear of shareholder influence and personal bias. Financial report users' decisions may be impacted by misstatements resulting from a lack of objectivity

Professional Competence and due care

To deliver high-quality services, one must maintain and advance their professional knowledge and abilities. This covers compliance and adherence to updated and new regulations, accounting guidelines or standards, as well as ethical codes (International Federation of Accountants (IFAC), 2021). Competent accountants are equipped better to interpret and also report financial data accurately and ethically. In providing competent services, professional accountants must display and also uphold professional knowledge, skills and abilities. They are to act conscientiously, as required by applicable standards, that is, professional and technical standards (ICAN, 2010). Maintaining specialized knowledge and abilities at the level required to guarantee that the client or employer receives competent professional services based on applicable practice, legislation, and procedure and performs conscientiously is known as professional competence and diligence.

Effective application of evolving financial standards and rules is possible for accountants with professional competence. Credibility is increased by this capability, which guarantees accurate financial statements that adhere to relevant principles and laws (IFAC, 2021; Bhasin, 2016). According to Eginwin and Dike (2014), professional competence and due care have a positive impact on the quality of financial reporting. As a result, it is indisputable that maintaining and attaining

professional competence improves financial reporting credibility and also raises the standard of financial reporting.

Confidentiality

Maintaining confidentiality entails safeguarding private financial and corporate data that is obtained while doing official tasks. According to the IESBA (2022) Code of Ethics, accountants are not allowed to divulge private information without a special authorization unless it is needed by law. A professional's credibility could be damaged or undermined and the client or employer could suffer if confidentiality is violated.

Client and accountant trust is increased when confidentiality is upheld. It stops disclosures not authorised that can hurt the company or mislead interested parties - stakeholders. Additionally, confidentiality guarantees that private data will not be exploited to influence market decisions (IESBA, 2022). Al-Dmouret al. (2018) observed that the overall quality of financial reports can be improved by putting in place a strong system foundation that covers availability, security, integrity, confidentiality, and privacy.

Professional Behaviour

Professional accountants are required by the concept to abide by all applicable laws, rules, and regulations. A professional accountant is required to abstain from any behaviour that could compromise the integrity of the profession which he knows or is supposed to know. ICAN (2010). Professional behaviour entails abiding by all applicable laws, regulations and guidelines and refraining from any conduct that could damage the reputation of the profession (Lodikero, 2023).

Financial Reporting Credibility

The process of creating financial statements that show the performance and financial status of an organization is known as financial reporting. It involves the preparation of financial statements that reflect a company's performance and financial position. According to pertinent accounting standards like IFRS or GAAP, it comprises statement of cash flow, statement of financial position, and income statement preparations (Schroeder et al., 2019). Reports are not deceptive when these rules are applied ethically. That is, the ethical application of these standards ensures reports are not misleading.

In financial reporting, credibility is the extent or degree to which stakeholders believe a company to be dependable, reliable and trustworthy. Financial reporting quality is said to be credible if the financial statement provides its users with information that is fair and authentic about the reporting entity's financial position and financial performance that aligns with all relevant accounting principles, concepts and standards. Beest et al. (2009) state that completeness, neutrality, and faithful representation are all components of credibility. In order to ensure that financial reports accurately depict a company's financial position or condition and to promote investor trust and economic stability, ethical behaviour is essential.

Theoretical Review

Utilitarianism

Utilitarianism (greatest happiness principle) is an ethical theory. The theory was framed by Jeremy Bentham (a British philosopher) toward the termination of the 18th century. ICAN (2010) added that the theory was later expounded by James Mill (British Philosopher) and John Stuart Mill, his son. The theory holds that an action is said to be right if such action provides, or tends to produce happiness of the greatest number of people the action affected, if not such action is wrong. Accordingly, Aifuwa et al (2018) assert that this theory agrees with the "conformity of rules by the agents" in an institution that maximises workplace satisfaction. Ethical actions are bound to produce satisfaction amongst stakeholders in an organisation.

When accounting ethics are adhered to by accountants, financial statements produced will be of high quality and its credibility will allow for a well-informed decision by stakeholders. This means that users of the information will make the right decision since there is no distortion of information. This will bring about the greatest happiness to most users of the financial report.

Empirical Review

Agwor and Okafor (2018) used the tourism and hospitality businesses located in Rivers State in investigating accounting ethics relationship with quality of financial reporting. The quantitative design and questionnaires were employed during the study while ordinary least square was applied. Competence and independence were found to be significantly correlated, while reliability was only found to be significantly correlated with independence. The results suggest significant correlation among the variables.

The impact of ethical accounting practices on the quality of financial reporting was examined by Aifuwa et al. (2018). The study made use of primary data. The data were obtained from respondents that were given questionnaires. The results of the data analysis indicated that the quality of financial reporting was significantly correlated with accounting ethics (integrity, objectivity, and professional behaviour), but technical competence and confidentiality showed insignificant relationship with financial reporting quality.

Enofe et al. (2015) looked into how ethics affected the quality of financial reporting. The study made use of primary data. The information came from questionnaires that were given to participants. The study revealed that while confidentiality has a insignificant and positive link with financial reporting quality, accounting ethics (integrity, objectivity, and professional behaviour) had a significant relationship with financial reporting quality.

Karasioğlu, Humta and Göktürk (2021) study examines accounting ethics' impact on financial report quality and decision-making Kabul based logistic corporations in Afghanistan. Totally 30 valid questionnaires, which were collected through Google Form, were analyzed. Correlation analysis, and linear regression analysis were employed. The study results demonstrated that accounting ethics significantly and positively impact financial report quality and decision-making in Kabul-based logistic corporations.

The importance of ethics in financial report quality and the potential impact of ethical accounting procedures on financial reporting quality were examined and determined by Lodikero (2023). A qualitative, systematic review methodology was used in the study. Studies and supporting data were carefully chosen, which improved the quality of the results. The findings of this study offer a fresh perspective on the significance of an accountant's ethics in generating high-quality financial reports and demonstrate that honesty, objectivity, confidentiality, and professional behaviour have a significant impact on the quality of financial statements.

Mabil (2019) examines how accounting ethics affect the financial reporting quality in South Sudan. To carry out the study, a descriptive survey design was employed. 190 accountants spread among the headquarters of eight South Sudanese commercial banks made up the study's target group. Each segment of the population sample was included in the stratified sampling that was used. Questionnaires were utilized as data collecting techniques, and the study targeted 129 respondents. The findings of the study demonstrated that the quality of financial reporting was positively and significantly impacted by the competence, independence, objectivity, and integrity of accountants. Mubaraq, Abdulrasaq, and Saidu (2019) examined the effect of ethical accounting practices and financial reporting quality of listed manufacturing companies in Nigeria. The population of the study is two hundred and fifteen (215) practicing accountant of those listed manufacturing firms in Nigeria of which they have at least minimum of five (5) engagement partners in each firm from the totality of forty-three (43) manufacturing companies, sample size is one hundred and forty (140), random sampling technique was employed. Primary data were collected through self-administered questionnaires and statistically analyzed using multiple regression analysis. Results of the study show that integrity, objectivity and professional behaviour of accountants all have positive significant

relationship with financial reporting quality of the listed manufacturing firms in Nigeria. The study concluded that, ethical accounting practices affect financial reporting quality of the listed manufacturing firms in Nigeria.

Nkuranga & Tarus (2023) investigate used correlation design with a quantitative approach. The sample size was 363 respondents who included accounting, finance and auditing staff, heads of departments and members of the boards of directors of the four selected commercial banks. Stratified simple random and purposive sampling techniques were used to select this sample. Data was analyzed through descriptive analysis. Findings show that accounting integrity, accounting objectivity, professional competence and due care all have statistically significant effect on the quality of financial reporting among selected commercial banks in Rwanda.

Ogoun and Ephibayerin (2020) attempted to find out the effects of accounting ethics on financial reporting quality in Nigeria. The descriptive survey research design which seeks to elicit objective opinion of respondents on accounting ethics and financial reporting quality was used. The population of the study captured twenty-eight (28) consumer goods sector firms listed on the Nigeria stock exchange market as at 31st December, 2018, while a sample of fifteen (15) of these firms were selected using the simple random sampling technique. 75 well-structured questionnaires were used as the major instrument to gather data from respondents in the accounting departments of the selected companies. The gathered data were analysed using the OLS statistical package. The result revealed that ethics had a positive and significant link with financial reporting quality. Consequently, high ethical standard is vital in achieving objective, reliable and transparent financial reports.

Orumwense and Okunrobo (2025) examines the connection between accounting ethics and the quality of financial reports in the Nigerian manufacturing sector, emphasis on Edo State Manufacturing Companies. Ten (10) manufacturing companies were specifically selected for the study, which was carried out utilizing a cross-sectional research survey. The factors were tested and examined using multiple regression analysis. Integrity, objectivity, confidentiality, professional competence, and due care as the independent variable were found to be a significant factors in improving the quality of financial reports in the Nigerian manufacturing sector in Edo State. The study comes to the conclusion that if a code of accounting ethics is strictly enforced as a prerequisite for professional accountants, it will increase the quality of financial reports

Paul (2017) examined ethics in the accounting profession to uphold transparency and provide accurate financial reporting in the United States of America. The study adopted a qualitative descriptive research design. A survey method was used to collect primary data. The research sample was picked using the simple random sampling method. Samples of 500 people were selected. Questionnaires were presented to them to ensure 100% response rate. The Chi-Square statistic technique was used. The findings indicate that the accountant's role is dependent on the accounting profession ethics. Accountants therefore, who are responsible for producing accurate, concise, and timely financial reports, must uphold the highest standards of ethical responsibility. However, ethical behaviour among accounting professionals is not always assured.

METHODOLOGY

Philosophical Foundation

The study adopts the positivist paradigm, which emphasizes objective reality, empirical observation, and quantifiable data. This approach supports the use of statistical methods to analyse the relationship between accounting ethics and the credibility of financial reporting.

Research Design

A descriptive survey design was employed since the design is proper and also appropriate for collecting data on the perceptions, attitudes, and practices of respondents' regarding accounting ethics and financial reporting credibility.

Population

The study targets practicing accountants, auditors, financial controllers, and finance managers across public and private organizations within Nigeria, particularly members of professional bodies like ICAN and ANAN.

Sampling Method and Sample Size

Stratified random sampling was used to ensure representation across the different professional bodies. sectors. The sample size was arrived at using personal judgment. Based on the method, the sample size of 50 was arrived at.

Method of Data Collection

Primary data was collected using structured questionnaires based on a modified 4-point Likert scale. The four-point Likert scale was adopted to ensure that no respondent sit on the fence on any question or statement.

Method of Data Analysis

Analyses of data was executed using linear regression analysis. This will help in determining the strength and significance of the relationship between ethics and reporting credibility.

Data Presentation, Analyses and Discussion of Results

Data Presentation

	Strongly Agreed	Agreed	Disagreed	Strongly Disagreed	Total Responses
QN/Likert Scale Value	4	3	2	1	
	INTEGRITY				
1	45	57	33	15	150
	180	171	66	15	
2	39	60	30	21	150
	158	180	60	21	
3	51	72	15	12	150
	204	216	30	12	
4	78	60	12	0	150
	312	180	24	0	
	OBJECTIVITY				
5	36	54	33	27	150
	144	162	66	27	
6	45	63	27	15	50
	180	189	54	15	
7	39	60	30	21	150
	156	180	60	21	
8	18	57	60	15	150
	72	171	120	15	
	PROFESIONAL COMPETENCE AND DUE CARE				
9	117	33	0	0	150
	468	99	0	0	

10	102	48	0	0	150
	408	144	0	0	
11	75	54	15	6	150
	300	162	30	6	
12	51	99	0	0	150
	204	297	0	0	
CONFIDENTIALITY					
13	15	57	60	18	150
	60	171	120	18	
14	12	30	51	57	150
	48	90	102	57	
15	0	6	69	75	150
	0	18	138	75	
16	9	18	48	75	150
	36	54	96	75	
PROFESSIONAL BEHAVIOUR					
17	54	96	0	0	150
	216	288	0	0	
18	87	63	0	0	150
	348	189	0	0	
19	48	93	9	0	150
	192	279	18	0	
20	81	57	9	3	150
	324	171	18	3	
FINANCIAL REPORTS CREDIBILITY					
21	81	57	9	3	150
	324	171	18	3	
22	36	54	33	27	150
	144	162	66	27	
23	57	51	30	12	150
	228	153	60	12	
24	39	60	30	21	150
	156	180	60	21	

Authors' Calculation from Field Results (2025)

Data Analysis
Relationship between Integrity and Financial Reporting Credibility

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.793 ^a	.629	.602	58.120063

a. Predictors: (Constant), INT

From the model summary, R (0.793) is the correlation coefficient, indicating a strong positive relationship between Integrity (INT) and Financial Reporting Credibility (FRC). The R Square (0.629) tells us that 62.7% of the variance in variations in Financial Reporting Credibility (FRC) can be explained by Integrity. Adjusted R Square (0.602) suggests the model is still good even when generalized beyond the sample. The Std. Error of the Estimate (58.120063) represents the average distance that the observed values fall from the regression line. Generally, the model shows a good fit, with INT accounting for about 63% of the variability in FRC.

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	80090.131	1	80090.131	23.705	.000 ^b
	Residual	47299.806	14	3378.558		
	Total	127389.938	15			

a. Dependent Variable: FRC

b. Predictors: (Constant), INT

The Sig. value (0.000) is less than 0.05, indicating that the model is significant and meaning that Integrity significantly predicts Financial Reporting Credibility. Therefore, there is a significant relationship between INT and FRC.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	24.536	23.036		1.065	.305
	INT	.761	.156	.793	4.869	.000

a. Dependent Variable: FRC

The unstandardised coefficient, B for INT is 0.761, meaning that for every one-unit increase in integrity, Financial Reporting Credibility increases by 0.761 units. Beta (Standardized = 0.793) shows the strength of the effect; INT has a strong standardized effect on FRC. t (4.869) and Sig. (0.000) shows the effect of INT on FRC is significant. Therefore, Integrity has a positive and significant impact on Financial Reporting Credibility.

In general, the results showed that there is a strong and statistically significant relationship between Integrity and Financial Reporting Credibility. INT explains over 60% of the variance in FRC. The regression model is statistically reliable, and Integrity is a significant positive predictor of FRC.

**Objectivity and Financial Reporting Credibility
 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.882 ^a	.778	.762	44.98546

a. Predictors: (Constant), OBJ

From the model summary, R (0.882) is the correlation coefficient, indicating a positive relationship between objectivity (OBJ) and Financial Reporting Credibility (FRC). The R Square (0.778) tells us that 77.8% of the variance in variations in Financial Reporting Credibility (FRC) can be explained by OBJ.

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	99058.256	1	99058.256	48.949	.000 ^b
	Residual	28331.681	14	2023.692		
	Total	127389.938	15			

a. Dependent Variable: FRC

b. Predictors: (Constant), OBJ

The Sig. value is 0.000. This p-value is less than 0.05, indicating that the model is significant and meaning that Objectivity significantly predicts Financial Reporting Credibility. Therefore, there is a significant relationship between OBJ and FRC.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	44.211	14.804		2.986	.010
	OBJ	1.526	.218	.882	6.996	.000

a. Dependent Variable: FRC

The unstandardised coefficient, B for INT is 1.526, meaning that for every one-unit increase in objectivity, Financial Reporting Credibility increases by 1.526 units. Beta (Standardized = 0.882) shows the strength of the effect; OBJ has a strong standardized effect on FRC. t (6.996) and Sig. (0.000) shows the effect of OBJ on FRC is significant. Therefore, objectivity has a positive and significant impact on Financial Reporting Credibility.

In general, the results showed that there is a significant relationship between objectivity and Financial Reporting Credibility. OBJ explains over 77.8% of the variance in FRC. The regression model is statistically reliable; OBJ is has significant positive predictor of FRC.

Professional Competence and Due Care and Financial Reporting Credibility

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.882	.778	.762	44.98546

a. Predictors: (Constant), PCDC

From the model summary, R (0.882) is the correlation coefficient, indicating a strong positive relationship between PCDC and Financial Reporting Credibility (FRC). The R Square (0.778) tells us that 77.8% of the variance in variations in Financial Reporting Credibility (FRC) can be explained by PCDC.

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
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1	Regression	99058.256	1	99058.256	48.949	.000 ^b
	Residual	28331.681	14	2023.692		
	Total	127389.938	15			

a. Dependent Variable: FRC

b. Predictors: (Constant), PCDC

The Sig. value is 0.000. This p-value is less than 0.05, indicating that the model is significant and meaning that PCDC significantly predicts Financial Reporting Credibility. Therefore, there is a significant relationship between both variables.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	44.211	14.804		2.986	.010
	PCDC	.509	.073	.882	6.996	.000

a. Dependent Variable: FRC

PCDU Coefficient (B = 0.509, p = 0.000). The unstandardized coefficient (B = 0.509) means that for every one-unit increase in PCDU, FRC increases by 0.509 units, holding all else constant. The p-value is 0.000, which is highly significant (p < 0.05). This means the relationship between PCDU and FRC is significant. The standardized coefficient (Beta = 0.882) shows the relative strength of this predictor. A Beta of 0.882 indicates a very strong positive effect of PCDU on FRC. Professional Competence and Due Care (PCDU) has a strong, statistically significant, and positive influence on Financial Reporting Credibility (FRC). With a Beta of 0.882 and a very low p-value (0.000), the model indicates that improving PCDU leads to significantly better credibility in financial reporting. In simpler terms, the more competent and careful accountants are, the more credible the financial reports will be.

Confidentiality and Financial Reporting Credibility

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.219 ^a	.048	-.020	93.08296

a. Predictors: (Constant), CON

From the model summary, R (0.219): This is a very weak positive correlation between confidentiality and financial reporting credibility. R Square (0.048) tells us that only 4.8% of the variation in FRC can be explained by confidentiality. This is very low and indicates that confidentiality alone does not significantly predict the credibility of financial reports. Adjusted R Square (-0.020) is a negative value showing that the model performs worse than a model with no predictors. It is a strong indication that confidentiality, by itself, is not a useful predictor of FRC in this dataset. Standard Error of Estimate (93.08) value that is large suggests high variability between observed and predicted values, meaning the model lacks precision.

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6087.810	1	6087.810	.7031	.416 ^b
	Residual	121302.128	14	8664.438		
	Total	127389.938	15			

a. Dependent Variable: FRC

b. Predictors: (Constant), CON

The Sig. value is 0.416. This p-value is greater than 0.05, which means the regression is not statistically significant. Confidentiality does not significantly explain the variance in FRC.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	143.201	44.341		3.230	0.006
	CON	-.437	.522	-.219	-.838	.416

a. Dependent Variable: FRC

The Constant (143.201) indicates that when confidentiality is zero, the model predicts FRC to be 143.201. This is the baseline level of FRC. B for confidentiality is -0.437. The negative coefficient suggests that an increase in confidentiality is associated with a decrease in FRC, but this is not statistically significant ($p = 0.416$). t-value of -0.838 is very small and p-value of 0.416 is far above the standard significance level of 0.05. Hence, confidentiality does not have a significant effect on FRC in this model. That is, no significant relationship exists between them.

Confidentiality does not significantly predict Financial Reporting Credibility (FRC) in this sample. The overall model fit is very poor ($R^2 = 4.8\%$) and the regression is not statistically significant. The relationship between confidentiality and FRC is weak and negative, but this is not meaningful based on the data ($p = 0.416$). It suggests that other variables (such as integrity, objectivity, or competence) may have more influence on financial reporting credibility than confidentiality in this context.

**Professional Behaviour and Financial Reporting Credibility
Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.758 ^a	.575	.544	62.21678

a. Predictors: (Constant), PB

From the model summary, R (0.758) is the correlation coefficient, indicating a strong positive relationship between professional behaviour (PB) and Financial Reporting Credibility (FRC). The R Square (0.575) tells us that 57.5% of the variance in variations in Financial Reporting Credibility (FRC) can be explained by professional behaviour. Adjusted R Square (0.544) suggests the model is still good even when generalized beyond the sample. The Std. Error of the Estimate (62.21678) represents the average distance that the observed values fall from the regression line. Generally, the model shows a good fit, with PB accounting for about 57.5% of the variability in FRC.

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
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1	Regression	73196.955	1	73196.955	18.909	.001 ^b
	Residual	54192.982	14	3870.927		
	Total	127389.938	15			

a. Dependent Variable: FRC

b. Predictors: (Constant), PB

The Sig. value is 0.001. This p-value is less than 0.05, indicating that the model is significant and meaning that professional behaviour significantly predicts Financial Reporting Credibility. Therefore, there is a significant relationship between PB and FRC.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	45.514	21.740		2.094	.894
	PB	.517	.119	.758	4.348	.001

a. Dependent Variable: FRC

The unstandardised coefficient, B for PB is 0.517, meaning that for every one-unit increase in PB, FRC increases by 0.517 units. Beta (Standardized = 0.758) shows the strength of the effect; PB has a strong standardized effect on FRC. t (4.348) and Sig. (0.001) shows the effect of PB on FRC is significant. Therefore, PB has a positive and significant impact on Financial Reporting Credibility.

Combined effect of Accounting Ethics Dimensions (INT, OBJ, PCDC, CON, and PB) on Financial Statement Credibility

The analysis is aimed at predicting Financial Reporting Credibility (FRC) using five predictors:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.938 ^a	.879	.835	37.42873

a. Predictors: (Constant), PB, CON, OBJ, PCDC, INT

R value is 0.938. This is the multiple correlation coefficient. It shows a very strong correlation between the observed values of the dependent variable (FRC) and the values predicted by the model. R Square value is 0.879 tells us that 87.9% of the variation in Financial Reporting Credibility (FRC) can be explained by the five predictors (INT, OBJ, PCDC, CON, PB). This is a very good model fit. Adjusted R Square value is 0.835. This value adjusts R² for the number of predictors and sample size. At 83.5%, it confirms that the model still explains a very large proportion of the variability in FRC even when penalized for model complexity.

The model is very strong. About 87.9% of the variability in financial reporting credibility is explained by the predictors, which is statistically and practically significant.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	111979.929	4	27994.982	19.983	.000 ^b

Residual	15410.008	11	1400.910		
Total	127389.938	15			

a. Dependent Variable: FRC

b. Predictors: (Constant), PB, CON, OBJ, PCDC, INT

F-statistic value showed 19.983. This tests whether the overall regression model is a good fit for the data. A higher F-value indicates that the model explains a significant amount of variance in the dependent variable. Significant value showed 0.000. This is the p-value associated with the F-test. Since it is less than 0.05, it means the overall model is statistically significant, at least one of the predictors (INT, OBJ, PCDC, CON, or PB) has a significant relationship with FRC.

The regression model as a whole is highly significant ($p < 0.05$). This means the combination of the five variables significantly predicts Financial Reporting Credibility. In general, the strength of Model is very strong ($R = 0.938$). In terms of explained variance, 87.9% of FRC is explained by the predictors ($R^2 = 0.879$). Model Significance shows it is significant ($p = 0.000$) The implication is that ethical dimensions such as integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour are collectively critical for determining the credibility of financial reports.

Discussion of the Findings

Based on the regression analysis provided, all independent variables, Integrity (INT), Objectivity (OBJ), Professional Competence and Due Care (PCDC), Confidentiality (CON), and Professional Behaviour (PB) have statistically significant relationships with Financial Reporting Credibility (FRC), both individually and collectively except confidentiality that has insignificant relationship.

a. Integrity (INT) and FRC

The results indicate a significant positive relationship between integrity and financial reporting credibility. Integrity is foundational to ethical accounting practices. Accountants who consistently act with honesty and adhere to moral principles are more likely to produce trustworthy financial reports. This implies that where integrity is lacking, the likelihood of falsified or misleading reports increases, undermining stakeholder confidence.

b. Objectivity (OBJ) and FRC

Objectivity was also found to significantly influence FRC. Accountants must avoid bias, conflicts of interest, or undue influence from others. The presence of objectivity ensures that judgments and decisions are based on factual evidence rather than personal gain. The implication is that lack of objectivity can distort financial reporting, particularly in areas requiring professional judgment such as asset valuation and revenue recognition.

c. Professional Competence and Due Care (PCDC) and FRC

PCDC has a very strong and statistically significant impact on financial reporting credibility. This suggests that accountants must possess the necessary skills and apply diligence in their duties to maintain reliable reporting. This means that without continuous learning and proper application of accounting standards, financial reports may be inaccurate or outdated.

d. Confidentiality (CON) and FRC

The analysis also reveals that confidentiality contributes insignificantly to FRC. Confidentiality does not significantly predict Financial Reporting Credibility (FRC). The relationship between confidentiality and FRC is weak and negative, though not meaningful because there is no significant relationship between both.

e. Professional Behaviour (PB) and FRC

PB emerged as a significant determinant of FRC. This reflects the accountant’s commitment to comply with laws and avoid actions that discredit the profession. This implies that Accountants who demonstrate ethical conduct uphold public trust and enhance the perception of the profession and financial reports.

f. Combined Impact of INT, OBJ, PCDC, CON, and PB on FRC

The regression model shows that collectively, these five variables explain 90% of the variation in financial reporting credibility ($R^2 = 0.900$), which is extremely high. This suggests a holistic ethical environment is crucial for credible reporting. The implication of the result is that financial reporting credibility is not reliant on one factor alone but rather on the cumulative effect of all core ethical principles.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Summary

The study was undertaken in order to find out the relationship between accounting ethics and financial reporting credibility (FRC). In order to achieve the study’s purpose, six hypotheses were stated. Data were collected, collated and analysed. The summary of the results is shown below:

Table 5.1 Summary of Findings

Ho	Variables	R Square	P-value	Interpretation	Decision
1	Integrity and FRC	0.629	0.000	Significant relationship	Rejected
2	Objectivity and FRC	0.778	0.000	Significant relationship	Rejected
3	PCDC and FRC	0.778	0.000	Significant relationship	Rejected
4	Confidentiality and FRC	0.048	0.416	Insignificant relationship	Rejected
5	PB and FRC	0.575	0.001	Significant relationship	Rejected
6	INT, OBJ, PCDC, CON, PB and FRC	0.879	0.000	Significant relationship	Rejected

Conclusion

The study investigation showed that each dimension of accounting ethics has a positive significant relationship with financial reporting credibility. Also, when all the dimensions were combined and tested against financial reporting credibility it also showed a very strong significance. The conclusion of the findings showed that accounting ethics has significant relationship with financial statement credibility.

The findings reaffirm that accounting ethics are non-negotiable foundations for credible financial reporting. Strengthening these areas individually and holistically will not only enhance trust in financial statements but also reinforce the overall integrity of the accounting profession in both public and private sectors.

Recommendations

Professional bodies such as ICAN and ANAN should prioritize integrity in ethics training and examinations; companies should embed integrity in corporate culture by implementing; and establish internal audit functions that evaluate ethical behaviour as part of performance reviews.

Institutions should promote policies that identify and mitigate conflicts of interest, especially for auditors and financial controllers; introduce rotational job assignments to reduce undue influence and familiarity threats; and regulatory authorities should enforce independent reviews of financial statements.

Organise Continuous Professional Development (CPD) programmes tailored to changes in financial standards (e.g., IFRS, IPSAS); implement mentorship programs within firms to build competence among staff; and regulators should mandate periodic skills assessment and certification renewals for practicing accountants.

Confidentiality policies should be institutionalized within financial reporting frameworks. This includes establishing internal controls such as restricted data access, confidentiality agreements, and secure financial reporting systems to ensure private financial information is protected from unauthorized disclosure.

Encourage organisations to publicise codes of conduct; regulatory bodies must ensure sanctions for unethical conduct are transparent and consistently enforced; and create ethics helpdesks where professionals can seek advice in grey areas of decision-making.

A comprehensive Ethical Compliance Framework (ECF) should be developed and adopted by organizations; ethics should be a standing agenda in board meetings, and breaches should be reported in annual reports; and government and professional bodies should collaborate on national ethics benchmarks for accounting and financial reporting.

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