

## **ETHICAL PRACTICES AND FINANCIAL REPORTING QUALITY OF SELECTED DEPOSIT MONEY BANKS IN LAGOS STATE, NIGERIA**

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### **Abstract**

The absence of accounting ethics has resulted in a drop in the quality of financial reporting, which is critical for investors and management. Accountants' code of ethics, which encompasses honesty, impartiality, competence, secrecy, and professional behavior, helps to reduce the probability of misleading financial reporting.

This study uses a descriptive survey research approach to assess the impact of ethical practices on the financial reporting quality of selected deposit money banks in Lagos state, Nigeria. The population consists of employees of five listed deposit money banks in Nigeria.

The result indicates that integrity, competence, objectivity, professional behavior and professional independence positively affect relevance. The result indicates that integrity, competence, objectivity, professional behavior and professional independence does not positively affect faithful representation. The result of the hypothesis one concluded that ethical practices have a significant effect on relevance. Hypothesis two concluded that ethical practices does not have a significant effect on faithful representation. Based on the findings, a few recommendations are offered on ethical practices and financial reporting quality;

Measure should be made by management to ensure that ethical practices are followed in order to improve the performance of their organizations and to increase performance levels, the

management team for deposit money banks should concentrate more attention on ensuring that the structure for ethical practices as it relates to financial reporting possess the required qualities.

**Keywords:** Ethical Practices, Financial Reporting, Faithful Representation, Relevance.

## 1. INTRODUCTION

The quality of financial reports, which are essential for management and investors, has decreased as a result of a lack of accounting ethics. A major factor in lowering the possibility of fraudulent financial reporting is the code of ethics for accountants, which encompasses honesty, objectivity, competence, secrecy, and professional conduct. Investor confidence has been damaged by high-ranking Nigerian banks' involvement in financial report scams (Yerahmadi & Bohloli, 2020). While non-compliance might cast doubt on a professional's independence, adherence to the code of ethics can foster a favorable impression of a professional's dependability. According to Agwor and Okafor (2018), training can help individuals become more competent, which in turn helps them prepare better financial reports. Financial reporting plays a vital role in company governance in the contemporary industrial economy and is both directly and indirectly related to accounting and economics. To increase public trust and confidence in the accuracy and legitimacy of financial accounts, accountants are expected to follow specific ethical standards and principles while reporting financial information (Rahmana & Sletten, 2018).

Aifuwa et al (2018) state that the demise of some businesses and the rise in high-profile scams during the previous 20 years have sparked questions regarding the integrity of the accounting profession. Concerns about the caliber of financial reporting have been raised by recent accounting scandals among interested parties. Regulatory and professional groups have recommended that professional ethics in accounting be developed and enforced in order to improve the quality of financial reporting in business organizations and their management. Taking a moral stance is a component of ethical behavior, which is relevant to accountants and others who depend on the information they offer (Yunanda & Majid, 2021; Salaudeen et al., 2020).

### Statement of the Problem

The requirement for accounting professionals to properly follow the norms of professional ethics prescribed by international accounting bodies has increased once again as a result of the pervasive corruption in the financial sector and the failure of banking organizations worldwide. Ogbonna and Ebimobowei (2022) assert that pervasive corruption in the corporate sector appears to be the norm in all societies.

Due to a number of high-profile corporate scandals, business ethics have recently garnered increased attention on a global scale. The collapse of several well-known banks in Nigeria, including Savannah (1996), African Express Bank Ltd (1998), Allstates Trust Bank Plc (1998), City Express Bank Plc (2006), and Hallmark Bank Plc (2006), was caused by a high number of unethical and fraudulent activities carried out by banking organization management that statutory auditors were unable to identify or stop. As a result, forensic audit was required for an improved control system. It has been recognized as a significant danger to the expansion and advancement of Nigeria's banking industry (Isito, 2016).

Regrettably, the credibility of the accounting profession is now widely disregarded as a result of these disasters. The lack of use of ethical practices and forensic accounting techniques in Nigerian banks' operations is also a contributing factor to the business ethics challenge, which has been brought on by the growing significance of government regulations, increased media scrutiny, and mounting pressure from various stakeholders. The Nigerian banking sector is experiencing an alarming rise in unethical practices, which has a negative impact on the quality of financial reporting and necessitates the exposure of ethical practices in banks.

### **Research Objectives**

1. examine the effect of ethical practices on relevance of selected deposit money banks in Lagos state, Nigeria.
2. determine the effect of ethical practices on faithful representation of selected deposit money banks in Lagos state, Nigeria.

### **Research Questions**

1. What is the effect of ethical practices on relevance of selected deposit money banks in Lagos state, Nigeria?
2. What is the effect of ethical practices on faithful representation of selected deposit money banks in Lagos state, Nigeria?

## **2. LITERATURE REVIEW**

### **Financial Reporting Quality**

Financial reporting quality, as defined by AnalystPrep (2019), is the caliber of the data presented in financial reports, including note disclosures. Good reporting gives decision-makers pertinent, actionable information that accurately depicts the financial realities of a business's operations during the reporting period. A number of factors, including company governance, accounting rules, audit quality, earnings management, and voluntary disclosure, can affect the quality of financial reporting. As a company's financial performance and condition are reflected in its earnings, cash flows, and balance sheet items, the quality of financial reporting can also have an impact on these aspects (CFA Institute, 2023).

Thus, the accuracy, dependability, completeness, and transparency of a company's financial statements can be referred to as financial reporting quality. Financial statement users can make well-informed judgments regarding a company's financial performance and situation by using pertinent and helpful information from high-quality financial reporting. Sustaining investor confidence and faith in the financial markets depends on the caliber of financial reporting. Better financial reporting increases a company's chances of attracting investment capital, securing favorable terms from lenders, and lowering borrowing costs.

Businesses may guarantee the accuracy of their financial reporting by keeping robust internal control systems in place that can identify and stop fraud and mistakes. The proper division of labor, frequent observation, and prompt reporting of any problems are all components of the internal control systems. External auditors are essential for confirming the correctness of financial accounts and spotting any significant errors or omissions. Another important factor in guaranteeing high-quality financial reporting is the regulatory framework. Organizations that regulate financial

reporting, like the International Accounting Standards Board (IASB) or the Securities and Exchange Commission (SEC) in the US, establish guidelines and mandate that businesses follow them. If these criteria are not followed, there may be penalties or legal action.

### **Relevance**

The idea of relevance describes how closely something relates to or is helpful in relation to what is occurring or being discussed. Relevance can be used in a variety of fields, including politics, art, education, communication, and information retrieval. Relevance is crucial because it enables people to dismiss irrelevant information and concentrate on what really matters. According to Borah et al. (2017), relevance can also affect people's attitudes, actions, and choices. Therefore, the degree to which the financial data shown in a company's financial statements is valuable and significant to the people who use them can be referred to as relevance in financial reporting (Financial Accounting Standards Board, FASB, 2018). Investors, creditors, and other stakeholders rely on financial reporting to assist them make decisions since it allows them to assess a company's financial performance, possible risks and opportunities, and prospects for the future.

Giving consumers information pertinent to their decision-making requirements is one of the main goals of financial reporting. This data must be accurate, timely, and give a comprehensive view of a business's cash flows, performance, and financial status. Financial data must be relevant in order for users to make well-informed judgments about lending money to or investing in a company. A prospective investor, for instance, may want to examine a company's profitability, growth potential, and dangers, as well as how these aspects stack up against those of other businesses of a similar nature.

One of the primary objectives of financial reporting is to provide users with information that is relevant to their decision-making needs. This information must be timely, reliable, and provide a complete picture of a company's financial position, performance, and cash flows. The relevance of financial information is critical, as it helps users to make informed decisions about investing in a company or lending it money. For example, a potential investor in a company will be interested in knowing the company's profitability, growth potential, and risks, as well as how these factors compare with those of other similar companies. Comparably, a creditor who is thinking about making a loan to a business will want to know about the business's capacity to pay back the loan as well as any possible dangers. Providing financial data that is significant to the financial statement users can help ensure relevance. The magnitude, type, and possible influence on a company's performance or financial status of an event or item are taken into account when determining its materiality.

Guidelines for assessing materiality are provided by financial reporting standards, such as International Financial Reporting Standards (IFRS) and Generally Accepted Accounting Principles (GAAP), which mandate that businesses include material information in their financial statements (Financial Reporting Council, 2018). For instance, businesses are required to report material risks and uncertainties that potentially affect their performance or financial status under GAAP and IFRS. Companies are also required to reveal important information about litigation, related party transactions, contingencies, and mergers and acquisitions, among other things.

The idea of comparability is also connected to relevance. According to Hjørland (2010), financial data must be comparable amongst enterprises in the same industry and over time. In order to make well-informed lending and investment decisions, comparability guarantees that users may meaningfully compare various businesses or time periods (Borah et al., 2017). In its Conceptual Framework for Financial Reporting, the US standard-setting organization, the Financial Accounting Standards Board (FASB), highlights the significance of relevance. The potential of financial information to affect users' decisions is known as relevance, according to the FASB, which also states that timely, predictive, and confirmatory information improves relevance.

### **Ethical Practices**

The behaviors and mindsets that demonstrate the moral ideals and beliefs of people and organizations are known as ethical practices. The common good of society and the environment, as well as the rights, dignity, and well-being of all parties involved in a situation, are the goals of ethical practices (Smart Capital Mind, n.d.). In addition to preventing or resolving conflicts, dilemmas, and issues, ethical behaviors are crucial for establishing credibility, trust, and reputation. Building stakeholder trust and preserving the integrity of financial data depend on ethical financial reporting procedures. In financial reporting and accounting procedures, ethical practices entail abiding by moral standards including truthfulness, equity, and openness (International Ethics Standards Board for Accountants, IESBA, 2016). Financial scandals, reputational damage, and legal repercussions for businesses can result from unethical behavior. Honesty is a fundamental ethical concept in financial reporting. Companies must report financial information truthfully and accurately, free from manipulation or misrepresentation, in order to be considered honest. Businesses must make sure that any noteworthy events or transactions are openly disclosed and that their financial statements accurately depict their current financial status and performance (FRC, 2018).

Another essential ethical principle is fairness. Fairness requires companies to provide financial information that is unbiased and not influenced by personal interests or relationships. For example, companies must ensure that their financial statements are not influenced by the interests of management or major shareholders, and that transactions with related parties are disclosed transparently. Transparency is also an essential ethical principle in financial reporting.

Companies must fully and accurately disclose all pertinent financial information, including risks, uncertainties, and noteworthy events, in order to be considered transparent. Businesses must give consumers enough information in their financial statements so they can decide whether to lend money to the company or invest in it (Smart Capital Mind, n.d.). Gaining the trust of stakeholders requires financial reporting that complies with ethical standards. Stakeholders are more inclined to trust the integrity and dependability of the financial information provided by businesses that adhere to ethical standards, which may result in more lending and investment. Losing trust as a result of unethical behavior can have a serious detrimental impact on a company's financial performance. For accountants and other financial professionals, a number of organizations have

created ethical codes and norms, such as the IESBA (2016). In addition to offering advice on how to uphold ethical standards in accounting and financial reporting, these guidelines highlight the significance of ethical practices in financial reporting.

### **Empirical Review**

The quality of financial reporting by financial institutions was examined by Sahi et al. (2022) using a literature study. systematic assessment of 204 papers published between 1990 and 2022. A major factor in determining the quality of financial reporting is monitoring qualities. Understudied are other oversight mechanisms like the board of directors. Effective financial disclosure may improve a company's performance and assessment, however this is not well supported by data. The study identifies gaps in the existing literature, such as conflicting findings, possible sources of data for empirical researchers, and potential research topics.

Regression analysis was used by Aifuwa et al. (2018) to investigate ethical accounting practices and the quality of financial reporting in a survey of practicing and non-practicing accountants in tertiary institutions in Edo State, Nigeria. The quality of financial reporting was significantly correlated with accounting ethics. The study suggests that accountants should adhere to strict ethical guidelines and that more research be done on the topic while taking religion into consideration.

A panel data analysis of 40 listed firms from the West African Economic and Monetary Union (WAEMU) countries from 2006 to 2017 using the Fixed Effects Model and Hausman Test revealed that IFRS adoption had a positive and significant impact on financial reporting quality, according to Oyewo et al. (2020). Other elements that affected the quality of financial reporting included firm size, ownership concentration, leverage, and audit quality. Strengthening the regulatory framework, enhancing audit quality, and boosting investor protection are some of the strategies the study recommends for raising the standard of financial reporting in the Sub-region. The impact of ethical accounting norms on Nigerian banks' financial reporting quality was evaluated by Ogbonna and Appah (2021). Econometric models (diagnostic test, augmented dickey-fuller, ordinary least square, and Granger causality) and secondary data were used in the data analysis. The results showed a strong correlation between Nigerian banks' financial reporting quality and ethical accounting standards. Mahdi and Mohsen (2021) looked into how professional ethics affected the caliber of financial reporting in Iran. Two hundred and five (205) firms chosen from the Tehran Stock Exchange were given questionnaires, and the data collected was analyzed using the Spearman correlation coefficient. The study discovered a strong correlation between the caliber of financial reporting and professional ethics.

Using a survey approach, Oyebisi et al. (2022) investigated the relationship between accounting ethics and the performance of accounting businesses in Nigeria. Employees of five (5) well-known audit firms—KPMG, Delloitte, Ernst and Young, Akintola Williams, and Price Waterhouse Coopers—were given questionnaires. The data collected during the field survey was analyzed using the Pearson Product Moment Correlation method. The results showed a strong correlation between Nigerian accounting businesses' performance and accounting ethics. Furthermore, it was

discovered that the performance of the organization and the degree of knowledge of the code of ethics are significantly correlated.

The impact of ethical accounting standards on the caliber of financial reports produced by Nigerian banks was investigated by Ogbonna and Ebimobowei (2022). A sample of eight Nigerian banks was given the questionnaire. Using econometric analysis, the data produced by the questionnaires was examined. The study found that while confidentiality has a negligible and positive relationship with the quality of financial reporting, integrity, objectivity, and professional behavior of ethical accounting standards have a significant relationship with the quality of financial reports from Nigerian banks. The study came to the conclusion that ethical accounting standards are essential for accountants to produce high-quality financial reports free from material misstatements.

A study of ethical accounting practices and the caliber of financial reporting by UK corporations was conducted by Stewart and Subramaniam (2020). The study's objective was to evaluate the drive for increased accountant independence, impartiality, integrity, and secrecy. The information was taken from the 2005–2019 annual reports of the FTSE 350 companies that were listed on the London Stock Exchange. Multivariate regression analysis's outcome demonstrates that the sample firms' financial reporting quality is positively impacted by the objectivity and honesty of accountants. The study also discovered that improving the caliber of financial reports prepared by accountants depends heavily on their objectivity.

The effect of professional ethics on the caliber of financial reporting in Iran was examined by Masoud and Mahbude (2019). The research used a sample of 418 Iranian enterprises and 55-item questionnaires. Developing professional ethics in accounting will assist enhance financial reporting quality, according to the study, which also indicated that professional ethics (objectivity, integrity) have a substantial impact on financial reporting quality. The government, the accounting profession, suppliers, shareholders, creditors, and the general public all want accountants to be honest and impartial. The study also showed that accountants' responsibilities extend beyond their direct clients, and choices based on the data they offer can have a significant impact on the lives of any or all of these parties.

The impact of ethics on the caliber of financial reporting was examined by Enofe et al. in 2020. They used primary data. The data study revealed that while confidentiality has a negligible and positive link with financial reporting quality, accounting ethics—integrity, objectivity, and professional behavior—had a significant relationship with financial reporting quality. The study made the recommendation that businesses should enhance their hiring procedures in order to guarantee that both men and women with high ethical standards would be hired. As stewards of sound financial reports, accountants should fulfill their duties in accordance with the codes of professional practice published by the Institute of Chartered Accountants of Nigeria (ICAN).

### 3. METHODOLOGY

**Research Design:** In this study, a descriptive survey research design was used. The design was chosen because it allows for accurate representation, minimal cost, increased statistical significance, and participant response objectivity. By using survey methodology, a variety of questions can be asked about a subject, giving the research a great deal of flexibility in data

processing. In order to get useful data from the respondents, the study employed a structured questionnaire.

**Population of Study:** According to data from the Head of Human Resources at Headquarters, as of December 2022, there were 56,520 workers working for the five listed deposit money banks in Nigeria: Access Bank (28,131), Eco Bank (13,000), UBA (20,000), Zenith (7,520), and First Bank (16,000). The five deposit money banks were chosen because they rank among the biggest in Nigeria in terms of market capitalization, total assets, and revenue creation.

**Table 1: Population Breakdown**

S/N	Ministries	Population
1	Access bank	28,131
2	Ecobank	13,000
3	United Bank of Africa	20,000
4	Zenith Bank Nigeria Plc	7,520
5	First Bank Nigeria Plc	16,000
	<b>TOTAL</b>	<b>56,620</b>

**Sample Size and Sampling Technique:** The study has decided to use non-probability sampling in this investigation. The method used to collect all of the samples does not provide every member of the population with an equal probability of getting chosen. Convenience sampling was used for the study since it guarantees that the sample selected from the population is close by. 400 employees were estimated using the Taro Yamane formula (1967) and the convenience sampling technique, which included professional and management staff from the sampled banks.

**Method of Data Collection:** Primary sources were the source of the data used in this study. The main source of data for this study is the researcher's administration of well crafted questionnaires, which was utilized to gather respondents' thoughts and opinions. Questionnaires usage guarantees a high response rate and takes less time and effort to administer (Ramanna & Sletten, 2018; Kalshoven, Hartog & Hoogh, 2021; Livingston, 2022; Yunanda & Majid, 2021).

**Methods of Data Analysis:** Two phases of data analysis were conducted for this study: descriptive and inferential analysis. Frequencies, percentages, and other descriptive elements were used in the descriptive analysis to describe the characteristics of the data and illustrate the differences in replies and opinions. Regression analysis in SPSS will be used for inferential analysis in order to examine the impact of the independent variable on the dependent variable and generate more exact and accurate estimations, including mean and standard deviations. In order to determine the cause-and-effect relationship between the independent and dependent variables, multiple regression analyses was used to evaluate the study's hypotheses. Multiple regression analysis was used to measure the hypotheses. The Statistical Package for Social Sciences (SPSS 23.0) was used for all of these investigations, and a 5% threshold for statistical significance was applied.

#### 4. RESULTS

**Table 4.1.1: Regression Analysis for Model one**

Multiple Regression Analysis					
	Coefficients		T	Prob	Collinearity Statistics

			Std. Error			Tolerance	VIF
Predictors	(Constant)	21.513	4.029	5.340	.001		
	INT	.142	.068	2.090	.037	.907	1.103
	COM	.173	.071	2.424	.016	.802	1.246
	OBJ	.134	.084	1.583	.114	.732	1.367
	PRB	.007	.063	.114	.909	.893	1.119
	PRI	.148	.066	2.252	.025	.926	1.080
R	0.207						
R <sup>2</sup>	0.043						
Adjusted R <sup>2</sup>	0.031						
F-statistics	3.518						
Probability	0.004						

Dependent variable: Relevance (RE)

The regression model 1 hypothesis assessing the impact of ethical behaviors on relevance is shown in Table 2. According to the results of the multicollinearity test, there are no disturbances in the data set that could compromise the study's statistical conclusions. The findings show that relevance is positively impacted by competence, objectivity, professionalism, integrity, and independence. The characteristics of the coefficients, which are  $\beta_1 = 0.142$ ,  $\beta_2 = 0.173$ ,  $\beta_3 = 0.134$ ,  $\beta_4 = 0.007$ , and  $\beta_5 = 0.148$ , respectively, give this indication. Given this, all proxies align with the study's a-priori expectation, which holds that moral behavior will significantly improve relevance.

According to the coefficient's direction, there should be a 0.142-unit rise in upper level relevance for every unit increase in integrity. This suggests that a rise in importance was probably due to integrity. Integrity is shown to be a significant predictor in the model with a probability of 0.037 for the t-statistic. Additionally, 0.173 units more higher level relevance is projected for every unit increase in competence. Accordingly, competence was probably a sign of increased relevance. A significant predictor in the model was competence, as indicated by the likelihood of the t-statistic of 0.016.

The table showed that a 0.134-unit rise in higher level relevance is anticipated for every unit increase in objectivity. This suggests that objectivity will probably result in greater significance. With a t-statistic probability of 0.114, objectivity is not a significant predictor in the model. Additionally, there is a predicted 0.007 unit rise in higher level relevance for every unit increase in professional behavior. This suggests that an increase in importance was probably indicated by professional behavior. Professional behavior was not a significant predictor in the model, as indicated by the likelihood of the t-statistic of 0.909. Furthermore, there is a predicted increase of 0.148 units at a greater degree of relevance for every unit increase in professional independence. This suggests that a rise in importance was probably correlated with professional independence. Professional independence was a significant predictor in the model, as indicated by the likelihood of the t-statistic of 0.025.

The adjusted coefficient of determination or  $R^2$  is 0.031. Therefore, integrity, competence, objectivity, professional behavior, and professional independence account for 3.1% of the variation in relevance, whereas other factors not included in the model account for the remaining 96.9%. Evidence of causality is implied by this good model fit. This outcome is further supported by the likelihood of the F-statistics, which assessed the model's impact.

### Decision Rule

The F-statistic is 3.518 at the 0.05 level of significance, and the p-value is 0.004, both of which are below the 0.05 level of significance used in this investigation. This suggests the rejection of the null hypothesis, which claims that the relevance of a few chosen deposit money institutions in Lagos State, Nigeria, is not significantly impacted by ethical behaviors.

**Table 3: The Regression Analysis for Model of the effect of ethical practices on faithful representation of selected deposit money banks in Lagos state, Nigeria**

	Multiple Regression Analysis						
	Coefficients		Std. Error	T	Prob	Collinearity Statistics	
						Tolerance	VIF
Predictors	(Constant)	16.937	5.582	3.034	.003		
	INT	.000	.094	.002	.999	.907	1.103
	COM	.049	.099	.491	.623	.802	1.246
	OBJ	.187	.117	1.595	.111	.732	1.367
	PRB	.165	.087	1.892	.059	.893	1.119
	PRI	.178	.091	1.950	.052	.926	1.080
R	0.154						
$R^2$	0.024						
Adjusted $R^2$	0.011						
F-statistics	1.918						
Probability	0.090						

Dependent variable: Faithful Representation (FR)

The regression model 2 hypothesis assessing the impact of moral behavior on faithful representation is shown in Table 3. The multicollinearity test revealed that there are no disturbances in the data set that could compromise the study's statistical conclusions. The coefficient's direction shows that a higher level of faithful representation is expected to grow by 0.000 units for every unit increase in integrity. Integrity is an unimportant predictor in the model, as indicated by the probability of the t-statistic being 0.999. Additionally, there is a predicted increase of 0.049 units at a higher level on faithful representation for every unit gain in competence. This suggests that increased faithful representation was probably a sign of competence. The probability of t- statistic is 0.623 indicating that competence was an insignificant predictor in the model.

The table showed that a 0.187-unit improvement in true representation is anticipated for every unit rise in objectivity. This suggests that greater faithful portrayal is probably what objectivity will show. Objectivity is not a significant predictor in the model, as indicated by the t-statistic

probability of 0.111. Additionally, a 0.165-unit rise in faithful representation is anticipated for every unit increase in professional behavior. This suggests that an increase in faithful representation was likely to be correlated with professional conduct. With a t-statistic probability of 0.059, professional behavior was not a significant predictor in the model. Furthermore, a higher level of faithful representation is expected to rise by 0.178 units for every unit increase in professional independence. This suggests that a rise in truthful representation was probably correlated with professional independence. Professional independence was a significant predictor in the model, as indicated by the probability of the t-statistic being 0.052.

The adjusted coefficient of determination  $R^2$  is 0.011. This indicates that integrity, competence, objectivity, professional behavior, and professional independence account for 1.1% of the variation in truthful representation, with other factors not included in the model accounting for the remaining 98.9%. This suggests evidence of causality and fits the concept well. The likelihood of the F-statistics, which assessed the impact of the model, support the outcome even more.

## 5. DISCUSSION OF FINDINGS

The findings suggest that professional behavior, objectivity, competence, integrity, and independence all have an impact on relevance. While other factors not included in the model account for 79.3% of the variation in relevance, honesty, competence, objectivity, professional behavior, and independence account for 20.7% of the variation. The impact of ethical practices on relevance is substantial. Research findings' applicability is significantly influenced by ethical methods (Smith et al., 2019). By maintaining honesty and openness, stakeholders are more likely to trust and believe in the results. Protecting participants' rights increases their collaboration, which improves the quality and applicability of the data. The findings' application is increased by ethical rigor, which supports validity and generalizability. In keeping with social responsibility, research that is performed ethically tackles relevant society challenges, increasing its practical utility and significance.

Long-term reliability and usefulness of research findings are also guaranteed by consistent commitment to ethical norms. All things considered, ethical procedures are not merely procedural; they are essential to conducting research that is significant, useful, and long-lasting. The outcome validated Sahi et al. (2022) findings.

The outcome shows that faithful representation is not positively impacted by competence, objectivity, professionalism, integrity, or independence. Integrity, competence, objectivity, professional behavior, and independence account for 15.4% of the variation in faithful representation, with other factors not included in the model accounting for the remaining 84.6%. The accurate portrayal of research findings is significantly impacted by ethical standards. Researchers guarantee the accuracy and integrity of their findings by abiding by ethical guidelines. Behaving with integrity and transparency increases stakeholder trust and strengthens the veracity of the data being delivered. Minimizing bias and ensuring that the information supplied accurately represents reality are two benefits of ethical rigor.

Fairness and inclusion in data gathering and analysis are also encouraged by ethical considerations, which results in a more thorough and accurate representation of the topic. Ultimately, upholding

the integrity and dependability of research representation is essential to preserving its worth and influence in scholarly and public settings. This discovery runs counter to Aifuwha et al. (2018)'s findings.

## 6. CONCLUSION AND RECOMMENDATION

The result of the hypothesis one concluded that ethical practices have a significant effect on relevance. Hypothesis two concluded that ethical practice does not have a significant effect on faithful representation. Based on the findings, a few recommendations are offered on ethical practices and financial reporting quality;

- i. Measures should be made by management to ensure that ethical practices are followed in order to improve the performance of their organizations
- ii. To increase performance levels, the management team for deposit money banks should concentrate more attention on ensuring that the structure for ethical practices as it relates to financial reporting possess the required qualities

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