Professional Ethics and Monetary Reportage of Non-Governmental Establishments

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***Abstract*—** Monetary reportage prepared based on evidences could substantially have demonstrative impact on the well-being of the relevant parties. Ethics is a word that has copious, occasionally contradictory explanation besides moral difficulties which remain pertinent matters in actual existence. This study examined the effects of ethics on the monetary reportage of non-governmental establishments. The survey method was embraced and data were obtained by means of questionnaire and multiple regressions were analytical tools. The findings revealed that professional accountants' competence had an affirmative as well as substantial consequence on monetary reportage. Furthermore, Professional impartiality substantially influenced monetary reportage, besides professional fairness remarkably relates with monetary reportage. Arising from the above material facts, it was suggested that non-governmental establishments should make an effort to develop their recruitment process in other to recruit men and women with high level of ethical standards.

***Keywords*—** Ethics, Monetary, Non-governmental establishments, Objectivity, Reportage, Stakeholders.

1. INTRODUCTION

Unprincipled monetary reportage which is always by creative accounting can cause major problems, not only to the organizations but also to the economy. Non-government establishments formed through the mission and goal of assisting the unattended facets of general existence besides enlargement. In recent past, we experience remarkable development of non-governmental establishments in the emerging and unindustrialized countries. Copious sponsors and supporters observe non-governmental establishments as improved unconventional to governmental interventions in rendering amenities besides support to those who required the backing, particularly in nation states that are saddled by partisan nepotism plus dishonesty. There are capacious expectable welfares of emerging programmes of behaviours while organizing monetary reportage for non-governmental establishments, it will encourage and stimulate the segment veracity and acceptability by scenery extraordinary collective culpability and standards and sometimes also clear reporting requirements (Asuquo, 2013a, Asuquo, Dada & Onyeogaziri, 2018, Asuquo, 2011a, Asuquo & Akpan, 2012a, Cook, 2012).

Non-governmental establishments depend on the monetary reports prepared by their accountants to be true and precise to make sound business decisions. Erroneous financial reporting triggered by the unethical or deceptive practices of non-governmental organizations can lead to loss of revenue through exposed accounting indignity or not as good as, organization breakdown. The tenacity of financial accounting ethics is to ensure that accountants conduct their duties demonstrably and with integrity. Ethics form the basis for legal and regulatory requirements and include issues resulting to maintaining public trust. The preparation process of any entities financial statement is govern by accounting standards, principles, policies, practices, procedures, cycles and system. For those policies, techniques and system for the transactions and events not unambiguously enclosed by authorized decree, accountants must exercise professional decision in shaping and handling issue that is most credible and dependable with commonly acknowledged reportage values besides standards. Such professional decision may be vulnerable to substantial influence by the ethical learning of the reporting accountants. Consequently, in order to restrain ethically unacceptable behaviour concerning financial reporting, sets of codes of professional standards are indispensable.

It is well-established fact that all professions that are dully recognized by authorities, such as the accounting profession have developed codes of professional ethics. The basic tenacity of these codes is to provide members of the profession with guiding principles for piloting themselves in a modus unswerving with the responsibilities of the profession. Non-governmental establishments might argue that existing accountability mechanisms are sufficient for their lawful activities which are beneficiary to mankind. It is pertinent to submit that voluntarism and self-regulation are not effective to aid in accomplishing the missions or goals for the establishment of Non-governmental establishments (Asuquo & Akpan, 2012b, Asuquo & Akpan, 2014). Smith (2012) further states that there is no "straight forward measures of organizational effectiveness of Non-governmental establishments. Moreover, social and environmental reporting is obligatory in some countries. There are several other forms of industrialized codes, charters and mechanisms and some forms of reporting. In synopsis of the Non-governmental establishments' culpability over the past decades, there are twofold categories of culpability for Non-governmental establishments. Amongst which are performance answerability and voice performance, responsibility which required Non-governmental establishments to be held responsible for what they do. This kind of culpability is engrossed on answerability to donors and clients and is similar to the corporate style culpability that firms have to their primary stakeholders. While voice accountability requires Non-governmental establishments to be responsible for what they say, therefore, the attempt to eliminate these maladies prompted to this paper. It is not surprising that most chief financial officers of large corporations have a background in accounting which made to apply professional ethics for the management of resources at their disposal. Jobs plentiful even in the current weak economy, and the money income for well-trained accountants is good for effective and professional efficiency. Taxes, audits, bookkeeping will always need to be done with the various financial scandals in recent years; the field of accounting has expanded to include forensic accounting and investigation. It should be noted loudly that vocation in accounting helps in securing good pension scheme that develops stratagems aimed at recompensing previous assistances made by the individuals during their active life (Asuquo, Akpan & Tapang, 2012, Asuquo, & Akpan, 2012b).

1.1 Statement of the problem

Monetary reportage quality has been a subject of intense and a pragmatic to non- government organizations. It is thought to be a means of depicting financial culpability. Non-government organizations over the years have experienced their fair share of corporate indignities in the monetary and non-monetary sectors. Therefore, adequate care has to be taken on how these financial statements are accessible. These failures have brought to greater enquiry of the work of the accountants from both profession and from outside. Quite a lot of ethical and unethical issues have been concealed as setbacks for Non-governmental organizations in their financial reporting stretching from conflict of interest, insider's dealings, subjective, reception of gifts and several other anomalies and scholars are of the opinion that all these unethical issues affect value of monetary declaration (Asuquo, 2013a). The code of corporate governance provided for the composition of an ethics committee in an organization where the committee is accountable for reflecting on ethical issues as well as upholding ethical standards in the organizations. However, this has not generated the right result as envisioned as some of the humiliations over the past decade most times management and auditors find the middle ground integrity for personal and egotistic achievement to the disadvantage of the organizations. Accordingly, the theory and practice in Accounting have compelled the life-threatening assessment of unethical and ethical issues in organizations such as non-governmental organization and how they affect financial reporting quality by these organisations. Consequently, the objective of this paper is to investigate whether or not accounting ethics among accountants in Non-governmental establishments are considerably connected with their financial reporting qualities, in the cutting-edge of the arrangement of fiduciary relationship adjoining the line of work of accounting.

2. LITERATURE REVIEW

2.1 Accounting Ethics and professional inclination

Saghafi (2010) opined that the "speedy improvement of human society and social relationships which is multifaceted requires the persistent of mutability of fiduciary relationship administration that is ethically accepted. One professional development efforts needed in response to these changing conditions evolved professional codes of conduct and standards. As a result, increasing social hassles in the range of accounting accountabilities in the multifarious network of societal indentures makes the establishment of standard practice and professional behaviour expected of the accountants inescapable. This explains why accounting services are provided under the supervision of professional association. These professional responsibilities include: responsibility for other members of the profession and responsibility for self. In other word, professional person should accept that after joining the profession, the interest of society take precedence over and above clients and personal interests in the discharge of his professional services (Wilson, 2001, Titus, 2003).

Rabie (2011) speak out that the professional accountant is anticipated 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 assurance of professional objectivity, no doubt, engenders reliability, continued trust and public confidence in the accounting profession, which ought to further strengthen the knowledgeable and real-world faithfulness to the professional standards of conduct. However, it is understood that such professional well-ordered also augments the appropriate qualities as faithful depiction of facts, significance and reliability of facts so presented understand ability of facts and timeliness of facts are enhanced when the public accountants are seen to be professionally well-organized in conduct""'Enderle (2009) and Brenkert (2008) argued that non-government establishments, businesses, banking industries and the professional association varies m their monetary reporting systems, therefore, "truthfulness cannot be a matter of either personal or institutional ethics online". Carral (2006) averred that professional accountants not only meet the ethical magnitudes of their preferences in life, but the live of other people as well. Professional ethics is imperative to professional accountants and others who depend on the facts made available for financial reporting.

2.2 Difficulties involved in developing professional ethics in Non-governmental establishments

Several national or sectorial alliances as well as individual organization have formulated their own professional ethics in recent years. Ball (2014) is of the view that the foremost dare involved in presenting ethical principles for Non-governmental establishments transmits to putting into practice and prosecution, much time, resources and energy are usually spent on the improvement process but many organizations go pear-shaped to appliance and upholding the code. It is not institutionalized and remains largely unused by the organization as a means to guide its work. In a time of growing demand for Non-governmental establishments' accountability, a mere declaration of intent is no longer likely to be sufficient. Standard setting being the starting point of a longer and more comprehensive process that includes stronger compliance mechanisms.

2.3 Ownership structures and financial reporting in Non-governmental establishments

Share ownership arrangement can possibly have significant consequences for a company's corporate culture and value system. The effect of ownership attentiveness is found to hinge on proprietor distinctiveness. As argued by Eginwin & Dike (2014) owners are essential source of ingredients for the ethical practice in the firms generally. These are considerable differences between the different profiles, styles or types of owners. This means that the innumerable owners' categories perceive that tolerable ethical practice is and what is not, differently. Accordingly, different owners' classes will undoubtedly answer back to different acts of management with regards to how impactful such acts may be detrimental and damaging to Non-governmental establishments. As always demonstrated, State ownership, is usually associated with frail regulation, family ownership is allied with unified control system of management (Djakovi, 2009, Timothy, 2016, & Williams, 2008). Djakovi (2009) premeditated on the proprietorship arrangements of huge organizations in twenty-seven developed nations

2.4 Financial accountability in Non-governmental establishments

Rabie (2011) affirmed "financial responsibility as the requirement to provide information to parties both inside and outside the organization'. It is the process of identifying, measures and communicating economic information to permit informed and rational decisions to be made. Asuquo, Akpan and Effiong (2014), Asuquo (2013b), and Talebnia (2013) asserted that answerability and culpability are measures of compliance level of good governance not only in Non-governmental establishments where accountability to institutional stakeholders must be paramount so as to create social assets and prudently utilize the available revenue through strategic and voluntary compliance. Since Non-governmental establishments get most of their finding from donors, accountability for Non-governmental establishments is usually to the donors, the beneficiaries, the employees and the stakeholders in the specified local areas where the projects were initially initiated and gotten approval for. Enderle (2009) indicated that fiscal or financial accountability is about making sure that funds have been spent as agreed and according to appropriate rules and regulations. Ball (2014) and Setiyawatie (2013) emphasized that financial accounting is financial responsibility or operational transparency that necessitates establishing how contributions to the organizations have been used and how effective the organizations are in accomplishing their set goals. Financial accountability is the fiscal or financial decency and prevention of fraud that makes sure that money is spent and recorded as agreed and according to appropriate rules and that accurate reports are given to stakeholders in a timely manner. Financial accountability is made by preparing and circulating financial reports, the determination financial progress, optimal capital structure/working capital of corporate ventures by Non-governmental establishments and prudence financial management practices that ensure maximum profitability to the stakeholders. It is proven fact that financial accountability gives NGOs legitimacy and credibility, contributes to their reputation and adds to their sustainability. Good financial accountability limits fraud and mismanagement. It also empowers beneficiaries and other stakeholders since information is power (Asuquo, 2020, Asuquo, 2011b, Asuquo, Effiong & Tapang, 2012, Ball, 2014, Thomson, 2007).

2.5 Transparency in Non-governmental establishments

Corporate governance ought to be put in place as a structure for matters regarding the corporation, including ownership and the ethics of the company. Pellucidity and information sincerity cannot be assured without the legal structures that stabilize the right to disclosure against the right of confidentiality and this is enhanced through information technology applying forensic accounting technique. Transparency system simplifies responsibility, accounting line of works specification, participation and predictability of outcomes. Transparency means that decisions taken and their enforcement are done in a manner that follows rules and regulations. The most important issue when considering culpability of Non-governmental establishments is the means by which they will be required to provide an account. Non-governmental establishments have need of being accountable with sanctions where some form of penalty is imposed if the account or the actions are management (Asuquo, 2012a, Asuquo, Dan & Effiong, 2020a, Thomson, 2007). Specifically, Asuquo & Akpan (2011) surveyed the impact and relevance management involvement and forensic investigation on accountant's competence, accountant independence, accountant's objectivity and accountant's truthfulness and reliability on monetary reportage of establishments dealing monetary matters in Calabar, Nigeria. Setiyawati (2013) explored on influence in-house accountant's competences to develop quality financial reports in Indonesia. The research used survey method to investigate 31 local governments units, using questionnaire as instrument for collection of relevant raw facts. The study's findings showed significant influences of competent internal accountants in regards to financial reports' quality. Eginiwin and Dike (2009), in their study established that accountant independence is associated with quality financial reporting of establishments and their expansion tendency. The findings indicated that financial reporting efficiency was negatively related with accountant independence".

3. METHODOLOGY

3.1 Research design: The study adopted survey design, and it was employed in order to have opinions of the respondents of the organization.

3.2 Populace and sample of the study: The population of the study was two hundred and fifty (250). Taro Yamane formula was used to determine to select one hundred and fifty-four (154) respondents. The questionnaire was devoted to questions in respect of three independent variables (competence, independence and objectivity).

3.3 The model of the study

$Y = b_0 + B_1x_1 + b_2x_2 + b_3x_3$

Where:

Y = financial Report

b_0 C = Constant, $b_1 – b_3$ = Regression Parameters, X_1 = COM =

Competence, X_2 = IDN = Independence, X_3 = OBJ = objectivity

4. RESULTS

4.1 Regression results

Table 1: Dependent variables: FR

Variables	Coefficients	Std. Error	t-stat	Prob
C	7.186164	1.738707	4.133050	0.0002
COM	0.911824	0.067293	10.55008	0.0000
IND	7.976354	4.408006	4.809515	0.0824
OBJ	4.644914	1.016980	4.567362	0.0262

Source: Researchers' computation using SPPSS, 2021

R^2 = 0.8432, R^2 (adj) = 0.8130, F Stat = 101.38

DW = 2.034

The 0.8432 of R-Squared and 0.8130 values of adjusted R^2 as presented on 'Table 1 above' confirmed that the estimate has a good fit on the data. The adjusted R – squared of 81 per cent of values of adj. R squared confirmed that the estimate has a good fit on the data.

The adjusted R-squared of 81 per cent proved that the regression estimated has a very high explanatory power. Also, the f-statistics value of 101.38 indicated that the entire estimates are significant.

4.2 Discussion of Findings

Based on the results, it was revealed that accountants' competence materially influenced monetary reporting. The result also indicated that accountants' independence substantially affect monetary reporting. The result further revealed that accountants' objectivity has considerable influence on monetary reporting. These are all in line with the outcomes of previous researches on this crucial matter concerning accounting profession and accounting practices amongst the Non-governmental establishments. The implications are that the qualities of financial statements prepared by professional accountants whether they are produced for profit and non-profit organizations will have their basic features of timeliness, accuracy, dependability, consistency and fairness if the preparers are also vested with professional qualities of competency, independency and objectivity, and are in addition committed to the call of their profession, both morally and practically. This would be void of management involvement and unethical practices which is common amongst the financial and non-financial institutions as argued by Asuquo & Akpan (2011) in their scientific and systematic investigation.

5. CONCLUSION

Accounting ethics was measured with professional independence and professional competence while financial reporting quality is measured using the quantitative attribute of reliability and understand ability. Non-governmental establishments are non-profit and civil organizations and there are many expected benefits of developing codes of conducts while preparing it financial report to ensure eco-friendly environment and environmental friendly policies that guaranteed performance of the corporate entities (Asuquo, 2012a, Asuquo, Dan & Effiong, 2020b). From the findings and conclusion of this research, the following recommendations are necessary: Non-governmental establishments have a duty to improve upon their recruitment process in order to recruit men and women with high level of ethical standards; Non-governmental establishments ought to establish autonomous department that should enforce ethics and compliance department that will monitor and direct ethics, and Financial Reporting Council of Nigeria is duty-bound to compel Non-governmental establishments to comply strictly to the financial reporting structure.

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