

ETHICS AND ACCOUNTING PROFESSIONAL PRACTICE IN NIGERIA

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Abstract

Ethics is particularly pertinent as a foundation of the accounting profession. Throughout its history, Accounting has been a moral discourse partially reflecting the moral order of the world in which it was practiced. There has been a renewed awareness of ethical standards that have been the hallmark of the accounting profession throughout its existence. This paper sheds more light on ethics and accounting professional practice in Nigeria. The role of ethics and its implementation to the profession, This was achieved by the use questionnaires and the use of t-test statistical instrument in the presentation and analysis of data. Some of the findings of the study reveal that Fundamental principles of ethical guidance have a significant impact on the accountancy profession, that ethical issues are relevant to challenges that confronts accountant in this present time. The paper recommend the need to improve on the role of ethics, and keeping to its improvement to the profession and enforcing the implementation of the principles of accounting profession.

Introduction

Ethics is moral philosophy: it is that area of philosophy, which concerns itself with inquiry into the nature of moral judgment. In order words, it teaches how to judge accurately the moral goodness or evil of any human action. It is that discipline which seeks to determine the way in which a person should behave. Ultimately, being ethical means acting intelligently and taking into consideration the interest of others. Acting intelligently demands that there is a careful consideration of the best way to attain desired objective and also the value of those objectives so that objectives that are worthwhile are pursued and attained.

The accounting profession like other professions has its own “ethics” which every accountant is expected to comply with the accountant in practice or business is regularly under the glare of the public with regards to his conduct and compliant to the expected standards. Recently, there have been growing criticism against accountants in public practice and business, on questionable acts. The public has been surprised, dismayed and devastated by periodic reports of financial fiascoes. A classical example would be the Savannah Bank Plc where the bank after declaring hue profits to the public, soon after became bankrupt and folded up. Also, the bankruptcy of some finance houses and banks in the last decade.

As a result of these repeated shocks, the public have become wary about the integrity of the accountants who act as auditors for corporations. The public now believes that there is a difference in what they are getting in audited financial statements and what is actually happening in the organizations. On the broader basis the continuing financial malfeasance has led to crises in confidence in the credibility of accountants in practice and business. This had led to the establishment of codes and conduct, the continual review of these codes of conducts and an increase in investigative and disciplinary actions of accounting bodies on their erring members.

Users of the services of accountants today want to receive efficient and reliable services from accountant who they regard as experts. They also strive get prompt and effective redress in cases something goes wrong.

In consulting a set of accounts, users want to be sure that the account convey a true and fair view of the financial position of a company. In other words, they are concerned about competence and standards. The Companies and Allied Matters Act 1990, the Banks and other financial institutions Act 1991 and the Nigeria Deposit Insurance Act 1998 place additional burden on the auditor in that he has to certify compliance with accounting standards, prudential guidelines, report certain deviations and even send copies of this management report to the Central Bank of Nigeria.

To ensure good professional discipline, various accounting bodies have been established in Nigeria: Institute of Chartered Accountants of Nigeria (ICAN), Association of National Accountants of Nigeria (ANAN), Institute of Cost and Management Accountants (ICMA), etcetera. But the most prominent and effective is the Institute of Chartered Accountants of Nigeria (ICAN) which was established in September 1965, by the section 6 of the 1965 Act. The institution has adequate ground rules as to what constitutes professional misconduct.

The institute's code of professional conduct of members that was adopted on the 8th November, 1979 and revised in 1989 serve as an embodiment of these ground rules. The contents of this code of ethics are a guide to the members of the institute, which requires the observance of strict rules of conduct as a condition of its membership.

The institute's Bye-laws are contained in the Act and its rules, regulations and this code of conduct have been drawn in such a way that they will assist members in their approach to problems bearing on professional conduct which they may have to deal with in the performance of their day to day duties whilst the non-observance of these, may result in a disciplinary action if that member is found guilty of misconduct.

The institute, through its council reserves the right to add to, or vary from time to time, this code of conduct which sets out its ethical requirements in relation to those professional situations which most commonly arise and through its investigating panel and the Accountants Disciplinary Tribunal, will demand from its members and strictly enforce the maintenance of high standards of professional conduct. An erring member may be required to answer a complaint before the investigating panel or the Disciplinary Tribunal. In keeping with acceptance practice, the investigating panel and the Institute's Accountants Disciplinary Tribunal Act in complete independence of the council, have the authority of the institute to enforce ethical standards, exercise disciplinary powers and are entirely free to decide every case coming before them on its merits.

The investigating panel considers complaints against the conduct of members and is empowered to recommend disciplinary action by referring the matter to the Accountants' Disciplinary Tribunal, if it considers the facts of the complaints before it and is of the opinion that a misconduct justifying disciplinary proceedings has been committed. The Accountants' Disciplinary Tribunal and the investigating panel and impartially, without fear or favour, affection or ill-will, basing their decisions purely whether or not matters before them have been proved beyond reasonable doubt as to or not constitute a misconduct. The freedom of the Disciplinary Tribunal and the investigating panel to act impartially is what all members of the institute must seek to guard very jealously.

The fact that misconduct cannot generally be defined, but has to be determined in each individual case by the facts before the panel and the Tribunal, makes it impossible for the council to lay down mandatory instructions, the mere breach of which amounts to misconduct. Nor can the council specify the various circumstances for which a member will or will not be guilty of misconduct. It follows therefore that this code is issued by the council not as an exhaustive directive, but to assist members to conduct themselves in a manner, which the council considers appropriate to the profession in general and to the members of the institute in particular. The code must, of course be read in conjunction with the institute's Acts and the Rules and Regulation made under the Acts.

The International Federal of Accountants (IFAC) has its own code of ethics for professional Accountants, which is, in a sense, binding on all the 120 or so IFAC member bodies, of which Institute of Chartered Accountants of Nigeria (ICAN) is a member. The member bodies are bound to do their utmost to implement the standard of the code within their own country or at any event, as a minimum, to achieve comparable standards of the code.

Apart from following generally accepted principles, an accountant should, at all times, comply with ethical guidance issued by the institute. He should also follow, as far as practicable, guidance on professional ethics issued by the foreign accountancy bodies to which he belongs. But where there is conflict between local ethical guidance and the foreign one, the local ethical guidance takes precedence. Ethical offenses attract penalties, which range from reprimands to expulsion from membership. To avoid these penalties, members are at liberty to seek classification on ethical issues from the institute. Members in practice are required to comply with local laws and should adhere to the ethical guidance. Non-compliance with ethical guidance does not constitute misconduct, but in answer to a compliant, a member of itself may be called upon to justify any departure from the guidance.

Even with the establishment of ground rules on ethical matters, practicing accountants have been alleged not to adhere to those rules. The professional bodies met out punishment to erring members but the adequacy or otherwise of the fines and other punishment have being questioned.

Ethical values are those qualities, which ensure that a member behaves with integrity in all professional, business, and financial relationship ad that he or she should strive for objectivity in all professional and business judgment.

In these days of rapid technological and environmental development, ethical issues spanning the boundlessness of accountancy practice have been notices and there are no ready answers with regard to this, the different professional bodies have in place rules guiding the members on ethical matters to ensure good conduct and that members act with integrity and objectivity in all professional business and financial relationship. Default of any member in compliance with the rules attracts fines and punishment by the disciplinary committee set up by the bodies.

But even with the knowledge of the ethical guidelines, members still fall short of the guidelines. The confidence of the investing public in the accountant is being called to question. In this light the study attempts to investigate ethical principles and values in relation to the accountancy profession. To address this problem, the study will answer the following problems.

1. What are the fundamental principles of ethics and ethical guidance and the impact on the accountancy profession?
2. What fundamental principles of ethics are breached often and what are the reasons for these breaches?
3. To what extent do the ethical principles and values address present day challenges of the accountants?
4. Are the disciplinary measures put in place effective and is the enforcement mechanism sufficient?

Dominance of Ethical Values rather than Accounting or Techniques.

Many accountants and most non-accountants hold the view that mastery of accounting and audit techniques in accounting profession is crucial. But relatively viewed scandals are caused by methodological errors in application of technique. Most are cause by errors in judgment and stem from misinterpretation of the problem due to its complexity, while others are due to lack of attention to ethical values of honesty, integrity, objectivity, due to care, confidentiality and the commitment to the interest of others before oneself.

Accounts must take care that their decisions are not tainted by failing to observe proper ethical values. At the very least, ethical values must be considered on a par with technical competence both quality as “sine qua non”. However, the edge in dominance may be rewarded to ethical guides that when a professional finds

a problem that exceeds his or her current competence, it is ethical values that will compel the professional to recognize and disclose that fact; without ethical values, the trust necessary for a fiduciary relationship cannot be sustained and the rights allowed the accounting profession will be limited probably reducing the effectiveness as independent profession can bring to a society.

From time to time, other members of other professions have made the mistake of doing something that is technically possible without regard for ethical consequences of doing so. This is referred to as the technological imperative, meaning if something can be done. When imperative arises in accounting, it should be done. When imperative arises in accounting, it is usually because existing accounting standards do not prohibit the practices and there are many examples of practices that have been employed such as pooling of interests, or negotiations of overdue mortgage loans, which were then disclosed as current, only to be reversed, constrained or changed when they were found not to satisfy the public interest fairly and objectively in other words in accord with fundamental ethical principles. Consequently, even though technical feasibility may govern the short-term decisions of some accountants, in the longer term, ethical considerations should dominate.

Whether the interest of the profession is well served by adopting technical methods without examining conceivably the problems associated with pooling of interest merging consolidations could have been foreseen and constrained. If an “ethical screen” had been explicitly in place.

Development of Accounting Ethics

Over the last one hundred years, there has been growing use of external audit as a way of ensuring proper accountability by various organizations. This followed the 1878 rash of the city of Glasgow Bank after which the U.K. companies Act of 1879 made external audits mandatory for all banking companies registered thereafter with limited liability.

The profession before this time was hidebound by restrictions on the composition of professional firms (Non-professionals) on practice; promotion (no advertising of any kind-letter headings could not indicate for example the secretaryship of a local building society) in the names and descriptions under which firms might operate. This was certainly the case for professional accountants in the United Kingdom. It is very difficult to detect anything like ethical guidance in the U.K accountancy profession before approximately 1969 although these were the restrictions on advertising and promotion already referred to as well.

As requirement for a process of ‘professional enquire in change of appointment’. In particular there was no discernible guidance on professional independence, integrity or objectivity. That is not to say that these elements were not respected. They were no doubts taken for granted as part of the professional culture.

A very ‘scanty’ guide to professional ethics emergence in the institute of Chartered Accountants of England and Wales (ICAEW) in what year and was followed by rather more comprehensive guidance in 1975; then for the first time something like the prevailing statement on professional independence was produced.

At this point the consultative committee of Accountancy Bodies (CCAB) (This consists of ICAEW, institute of Chartered Accountants of Scotland (ICAS), Institute of Chartered Accountants Ireland (ICAN), Chartered Association of Certified Accountants (ACCA), The Chartered Institute of Management Accountant (CIMA), The Chartered Institute of Public Finance and Accountancy (CIPFA) took an interest and in October 1979 there was an approval of a common new statement entitled ‘professional independence’, which was accompanied by extensive ‘explanatory notes’. The guidance was based on the principle that a member should be and be seen to be free in any professional assignment of any interest which might detract from objectivity. Thereafter, spurred on gently by CCAB common statements on confidentiality, practice promotion, names and letters headings and specialist forms of practice (mixed, multidisciplinary, management consultancy and data processing) were developed alongside improved guidance on change in a professional appointment.

Liaison between the secretariats of the CCAB bodies in particular, the auditing 'four' (ICAEW, ICAS, ICAI, ACCA), maintained a similarity, if not identically between them ethical guidance through the 1980's – a period which saw great expansion in the range of services provided by accountancy firms (and welcome by their clients) into such areas as corporate finance, while new legislation, in part promoted new roles for accountants together with ethical guidance necessary to their discharge of those roles.

A very significant further development was the new regime of registered auditors by the companies Act of 1989, in accordance with the provision of the European 8th Directive. A wholly revised statement on professional independence – now entitled 'integrity, objectivity and independence' was required by the secretary of state as precondition of recognizing the 'four' (ICAEW, ICAS, ICAI, ACCA) as qualifying and supervising bodies under the Act.

The next important development was the creation by the three U.K. and Irish Institutes of Chartered Accountants, of the Chartered Accountants joint Ethics Committee (CAJEC) which has since its inception in 1990, carried out its own comprehensive review of the rest of the Guide to Professional Ethics shared by the three bodies. This resulted in the removal of a number of obsolete statements and additional guidance on conflicts of interest, association with non-members and second and other options, together with greatly expanded guidance on fees. With the emergence of CAJEC, the pace of development in ethical guidance has increased than settle down. Since the guide to professional ethics was reissued in February 1992, the core statement on integrity, objectivity and independence has seen a host of minor's and several major changes, each of the latter prefaced by extensive consultation within and outside the profession. Substantial additions include a new selection on 'Relationships between an audit firm and a company whose officer is a former partner or senior employee'. Provision of specialist valuations to audit clients and rotation of audit partners.

Sources of Ethical Guidance

There are two categories of the source of ethical guidance in the Accountancy Profession. These are the codes of conduct, laws and jurisprudence.

Codes of Conduct

This is the ethics of the professional bodies and firms or employer rank as important reference points to which the accountant belongs. But much emphasis is given in this study to the codes of conduct of accounting professional bodies worldwide and under the IFAC umbrella, so the fundamental principles are the same.

These fundamental principles are drawn from the duties owed by members of the profession, whether in practice or not, the statement provides more explanation as to what is expected of members in certain circumstances. These statements include the following

1. A member should behave with integrity in all professional and business relationships. Integrity implies not merely honesty but fair dealing and truthfulness.
2. A member should strive for objectivity in all professional and business judgments. Objectivity is the state of mind, which has regard to all considerations relevant to the task in hand but no other.
3. A member should not accept or perform work, which he or she is not competent to undertake unless he obtains such advice and assistance as will enable his competency to carry out the work.
4. A member should carry out his or her professional work with due skill, care, diligence and expedition and with proper regard for the technical and professional standards expected of him or her as a member.
5. A member should conduct himself or herself with courtesy and consideration towards all with whom he comes into contact during the course of performing his or her work (ICAN CODES OF CONDUCT, 1989).

Ethical Standards Statements

Integrity, Objectivity and Independence

Integrity implies merely honesty but fair dealings and truthfulness. An accountant should always act with integrity, honesty and probity. He or she should maintain a professional attitude at all times in the performance of his or her responsibilities. He or she, in public practice, should not follow any other occupation, which is inconsistent with his professional duties.

In accepting or counting a personal assignment or occupation, an accountant should take a critical look at all the factors which may have adverse reflection at his or her integrity and objectivity in relation to that assignment or occupation. An accountant should maintain high standard of conduct, should not knowingly mislead or misinterpret facts to others and should use due care to avoid so unintentionally.

Independence is an attitude of the mind based on integrity and objective approach to work. An accountant must at all times perform his or her work with objectivity and impartially and free from influence by what may appear to conflict with this requirement. An accountant should exercise his profession with independence and objectivity. He or she must be in a position to give an honest and unbiased opinion at all times. Under no circumstances must an accountant allow himself or name to be associated with a financial statement that is misleading.

ICAN Code of Conduct

Exercise of Independence

Member in Public Practice:

In order to exercise his independence, a member in public practice must not:

1. Possess any direct and /or indirect beneficial interest that is through a nominee, in any company for which his or she acts as an auditor.
2. Accept fees, the amount for which is based on the success of an assignment except when this cannot be avoided because of legislation, custom, documentation or agreement to which he is not a party.
3. Accept fees, for acting as auditor the amount of which is based on turnover of profit
4. Accept fees for acting as auditor, the amount of which is below any minimum chargeable under any scheme approved by the institute.
5. Commence and audit assignment prior to receiving at least 5% of his estimated professional fees.
6. Act for any two opposing parties in respect of negotiations, claim or settlement unless appointed as an arbitrator under the due process of law by both parties to their knowledge and with their prior agreement and covenant.
7. Carry out work as an auditor concurrently with carrying out work for the client in an executive capacity
8. Give to or accept from a client directly and /or indirectly loan and /or guarantee a client's borrowing as practice or as individual.
9. Having acted as a receiver of any assets of a company, accept appointment as auditor of that company for any accounting period during which he acted as receiver or exercised control.

Members in Employment

A member performing professional work in commerce, industry or public sector, should recognize problems likely to be created by personal relationships or financial involvements, which by reason of their nature or degree, might threaten his objectivity or competence in respect of his work and must observe the high standard of conduct and integrity expected of members of the profession. Although a member not in public practice is unable to be or be seen to be free of any interest, which might conflict with a proper approach to his professional work that does not diminish his duty of objectivity in relation to that work.

Conflict of Interest

The statement deals with two types of conflict of interest: conflicts between the interests of a firm and those of its clients and the conflicts between the interests of different clients. Conflicts between the interests of a firm and those of those of its client, is any material financial gain, which is likely to occur to the firm as a result of the engagement.

Provisions are:

A firm should withdraw from or refuse to act in any engagement where there is likely to be a significant conflict of interest with the client. There is on the face of it nothing improper in a firm too or more clients whose interest may conflict. In such case, however, the work of the firm should be so managed as to avoid the interests of client affecting the others.

Confidentiality

Information confidential to a client or employer required in the course of professional work should not be disclosed except where consent has been obtained from the client, employer or other proper sources or where there is legal high or duty to disclose. A legal duty or right arises as a result of relevant statutory provision such as terrorism, launching etcetera.

A confidential information in the course of professional work, should not be used or appear to use that information for the accountant's personal advantage or for the advantage of the third party.

Change in Professional Appointment

This statement applies only to accountants in practices, affiliates and where appropriate employees of practicing firms, as regards the need for a member who is asked to act by a prospective client with respect to an audit or recurring reporting assignments and the provisions for such.

The Provision Include the Following:

Communication: procedure of professional Enquiry.

The purpose of finding out background to the proposed changed is to enable the member to determine whether in all circumstances, it could be proper for him or her to accept the appointment. In particular, members nominated as auditors will wish to ensure that they do not unwittingly become the means by concerned any unsatisfactory practices of the company or many be concerned from shareholders or other legitimately interested persons communication is meant to ensure that all relevant facts are known to the member who having considered them, is entitled to accepted nomination if he wishes to do the need to communicate exists whether or not the auditor or adviser intends to make representations to the proprietors, including his statutory rights to make representations to the shareholders and whether or not he or she still continues to act. Communication of the facts to a prospective auditor or adviser cannot relieve the existing auditor or adviser of his duty to continue to press on the client his views on any technical or ethical matters which may have let him to dispute with the client, nor does it affect the freedom of clients to exercise his right to change of auditor or adviser.

Transfers of Book and Papers

The existing auditor or adviser should transfer promptly to the new auditor or adviser after he has been duty appointed all books and papers of the company, which are in his possession unless he is exercising a lien there on for unpaid fees.

Appointment of a joint auditor to fill a casual vacancy; When a member is invited to accept appointment as a joint auditor or to file a casual vacancy. He or she communicated with all existing auditors and should be guided with by similar principles to those set out in relation to nomination as an auditor.

Additional Work

A member invited to undertake recurring or non-recurring work which is additional and related to conditional work, carried out by another professional adviser. He or she should notify other professional adviser of the work he or she has been asked to do.

Consultancy

This statement applies only to practicing members, affiliates and where appropriate employees of practicing firm. If a member in practice (the practitioner) obtains the adviser of a member (consultant) on a consulting basis on behalf of a client, the consultant or any practicing any work that was, at the time of consultant was first retained in relation to the clients affairs being carried out by the practitioner.

The same consideration applies where a practitioner, introduces one of his clients to the consultant for the purpose of consultancy.

Association with Non-members

This statement refers to where a member is engaged in public practice with a non-member partner or a fellow director of a company is responsible for ensuring that the non-member conforms to the ethical standard governing the provision of member of public accountancy services.

A member should also conduct his or her firm that a client or potential client cannot mistake it for any other firm or business and cannot mistake any other associated firm or business for his.

Agencies

Practicing members, who are not authorized to conduct investment business whilst not covered by the license, should not accept as an appointed representative of another person to conduct investment business under the act.

Fees

A member is entitled to charge for his or her services:

- Such specific fee he or she agreed with the client or
- A fee calculated in accordance with agreement with the client or
- In the absence of an agreement, a fee calculated by reference to the custom of the profession.

A member should inform a client in writing prior to commencement of any engagement on the basis upon which fees he proposes to charge that client for his services will be calculated and on request and where practicable the level of fees likely to be charged for an assignment.

Obtaining Professional Work

Subject to the guidance that follows a member publicity for his or her service achievements and products and may advertise his services, achievements and products in way consistent with dignity of the profession in that he should not project an image inconsistent with that of a professional person trained to high ethical and technical standards.

Promotional materials may contain factual statements the truth of which a member is able to justify but should not make disparaging references to or disparaging comparisons with services of others. A member should under no circumstances seek to promote, his or her services or the services of another member, in such a way or to such an extent as to amount to harassment of a prospective client.

Names and Letterhead of Practicing Firms

The statement applies only to practicing members, affiliates where appropriate of practicing firms. For this purpose of this statement, the term 'firm' includes a partnership, a corporation and a sole practitioner, the main business of which is the provision of services customarily, provided by Chartered Accountants and the term 'letter head' means any part of the firm's note paper and documents used by the firm for communicating with clients or other parties.

Subject to Bye-laws and the following, a member may practice under whatsoever name or title he or she sees fit. A practice should be consistent with dignity of the profession in the sense that it should not project an image inconsistent with that of a professional practice bound to high ethical and technical standards.

A Practice Name should not be Misleading

The description ‘Chartered Accountants’ should not form part of a firm’s name, a firm allowed under the Bye-laws to use the description of Chartered Accountants on their letter heading in advertisement and generally. This firm may include on its note paper a list of services it particularly wishes to offer. However, it should not incorporate any of the list of services into the general description of the firm (Example: Chartered Accountants and Tax Advisers) least this should suggest that these services are not offered by other Chartered Accountants.

Principals in a firm describing itself as ‘Chartered Accountants should adopt distinguishing name for any separate firm of public accountants in which they my practice that is not itself entitled to the description of Chartered Accountants’. A practice letterhead must comply with partnership and company law as appropriate and with the Business Names Acts.

Second and other Opinions

This statement implies to all members. Where the opinion of a member, whether in practice or otherwise is sought on the application of accounting standards or principles to specific circumstances a transactions. Either or completed or contemplated, of an entity which the member does not have an ongoing professional relationship to provide audit services, he should.

Ethical Responsibilities of Members in Business

This statement applies only to members in business. References in this statement include reference to members whether employed or not, who are engaged in work relevant to their qualification as a member otherwise than in a practicing office.

An employed member owes certain legal duties towards his or her employer. Additionally, he or she has ethical duties towards his institute and in particular, he should observe the same fundamental principles and the same standards of behavior and competence as applied to all other members of the institute.

Enforcement of Ethical Standards

This statement shall apply to all members.

1. The power of the institute to enforce ethical standards is by the ICAN Act conferred on the Accountants’ Disciplinary Tribunal, which is in respect of this power independent of the council.
2. The investigating panel considers complaint against the conduct of members and is empowered to initiate disciplinary action by referring appropriate case to the Disciplinary Tribunal for adjudication.
3. Where a complaint is received by the institute alleging a case of misconduct against a member, such a member shall be requested by the investigating panel to furnish his defense or reaction to the complain within 14 days of the receipt f the requests to do so if the member is resident within Lagos state or twenty-one days (21) if the member is resident outside Lagos state.

Presentation of Data

Table 1: Distribution of Respondents by Sex.

Sex	Frequency	Percentage (%)
Male	9	56.25
Female	7	43.75
Total	16	100.00

Source: Seven-Up Bottling Company Plc, Enugu, (2021)

The table 1 above, shows that 9 respondents (56.25%) were male while the remaining 7 (43.75%) of the respondent were female.

The analysis shows that majority of the respondents are male as the questionnaire were randomly distributed to the respondents.

Table 2: Distribution of Respondents by Academic Qualification

Academic Qualification	Frequency	Percentage %
HND/B. Sc/BA	2	12.5
M. Sc/MA/MBA/MPA	5	31.25
ACA/ACIB	9	56.25
Total	16	100.00

Source: Seven-Up Bottling Company Plc, Enugu (2021)

The table 2 above reveals that 2 respondents ((12.5%) have HND/B. Sc/BA) as their highest academic qualifications, as 5 respondents (31.25%) have either M. Sc/MA/MBA/MPA as their highest academic qualifications while the remaining 9 respondents (56.25%) have either ACA/ACIB as their highest academic qualifications.

The analysis above shows that virtually all the respondents involved in the study have basic academic qualifications that would enable them to effectively answer the questions in the questionnaires. Thus, the responses of the respondents were reliable in providing answer to this study's questions and in the testing of the hypotheses.

ANALYSIS OF RESEARCH QUESTIONS/TEST OF HYPOTHESES

Research Question 1:

Does fundamental principle of ethical guidance have an impact on the accountancy profession?

Table 3: Percentage Distribution of responses as to whether Fundamental Principles of Ethical Guidance have an impact on the Accountancy Profession.

Response	Frequency	Percentage %
Yes	13	81.25
No	1	6.25
undecided	2	12.5
Total	16	100.00

Source: Seven-Up Bottling Company Plc, Enugu (2021)

The table above, depicts that 13 respondents (81.25%) agreed that fundamental principles of ethical guidance have an impact on the Accountancy profession, as 1 respondent (6.25%) disagreed while 2 respondents (12.5%) were undecided.

Research Question 2:

Are ethical issues relevant to challenges that confront accountants?

Table 4: Frequency and Percentage Distribution of Responses as Whether Ethical Issues (Principles and Values) are relevant to the challenges that confront accountants.

Response	Frequency	Percentage %
Yes	11	68.75
No	5	31.25
Undecided	-	-
Total	16	100.00

Source: Seven-Up Bottling Company Plc, Enugu (2021)

In table 4 above, that data reveal that 11 respondents (68.75%) agreed that ethical issues are relevant to challenges that confronts accountants while 5 respondents (31.25%) disagreed.

Research Question 3:

Does fines and punishment have any deterrent effect to other members of various Accounting Bodies?

Table 5: Frequency Distribution of Respondents as to Whether fines and punishment have any effect to other member of the various Accountant Bodies.

Response	Frequency	Percentage %
Yes	13	81.25
No	-	-
Undecided	3	18.75
Total	16	100.00

Source: Seven-Up Bottling Company Plc, Enugu (2021)

The data in table 5 above , shows that 13 respondents (81.25%) believed that fines and punishment have a positive effect to other members of the various accounting bodies while 3 respondents (18.75%) were undecided.

Research Question 4:

Is there sufficiency in the Enforcement Mechanisms?

Table 6: Percentage Distribution of Responses on whether there are sufficiencies in the Enforcement Mechanisms

Response	Frequency	Percentage %
Yes	10	62.5
No	2	12.5
Undecided	4	25
Total	16	100.00

Source: Seven-Up Bottling Company Plc, Enugu (2021)

In table 6 above , 10 respondents (62.5%) agreed that there are sufficiencies in the enforcement mechanisms to enable professionals perform credibly, 2 respondents (12%) disagreed while 4 respondents (25%) argued that the enforcement mechanisms were not sufficient.

Research Question 5:

Is there policy recommendation that could help improve the integrity of all professionals?

Table 7: Frequency and Percentage Distribution of Response as to whether there is policy recommendation that could help improve the integrity of all professionals.

Response	Frequency	Percentage %
Yes	15	93.75
No	1	6.25
Undecided	-	-
Total	16	100.00

Source: Seven-Up Bottling Company Plc, Enugu (2021)

The table 7 above indicates that 15 respondents (93.75%) agreed that there are suitable policy recommendations that could help improve the integrity of professionals while the remaining 1 respondent (6.25%) disagreed.

Test of Hypotheses

H₀: Fundamental principles of ethical guidance do not have an impact on the accountancy profession.

Table 8: T-test significance between the mean score of male and female employees as to whether fundamental principles of ethical guidance have an impact on the Accountancy Profession.

X	F	Fx
2	3	6
3	5	15

5	3	15
6	2	12
16	13	48

$$X = \frac{\sum fx}{N} = \frac{48}{16} = 2.9$$

$$t = \frac{\sqrt{n-2}}{\frac{1-r^2}{\sqrt{\frac{16.2}{1-(2.9)^2}}}}$$

$$= \frac{\sqrt{10.85080642}}{2.722131518}$$

$$t \text{ cal} = 3.986$$

$$t\text{- tab} (0.05) = 1.761$$

The table 8 above, depict that the t-calculated value (3.986) is greater than the critical t-table at 0.05 levels of significances (1.761). Therefore the null hypothesis is rejected and vice-versa. This shows that fundamental principles of ethical guidance have significant impact on the accountancy profession.

Hypothesis 2

H₀: Ethical issues are not relevant to challenges that confront accountants.

Table 9: T-test of significance between the mean score of male and female employees as to whether ethical issues are relevant to challenges that confront accountant.

Workings:

X	4F	Fx
1	4	4
7	5	35
8	2	16
16	11	55

$$X = \frac{\sum fx}{N} = \frac{55}{16} = 3.4$$

$$t = \frac{\sqrt{n-2}}{\frac{1-r^2}{\sqrt{\frac{16.2}{1-(3.4)^2}}}}$$

$$= \frac{12.72163512}{3.249615362}$$

$$= 3.915 \text{ (i.e t-cal)}$$

$$t\text{- tab} = 1.761$$

The table 9 above shows the t-calculated value (3.915) is greater than t-tabulated value (1.761) at 0.05 level of significance.

Thus, if t-cal > t-tab, reject the null hypothesis and vice versa.

This reveals that ethical issues are highly relevant to challenges that confront accountants in this present dispensation.

Hypothesis 3:

H₀: There are no sufficiencies in the enforcement mechanisms.

Table 10: T-test of significance between the mean scores of male and female employees as to whether there are sufficiencies in the enforce mechanisms.

Workings:

X	F	Fx
1	2	2
4	3	12
5	3	15
6	2	12
16	10	51

$$X = \frac{\sum fx}{N} = \frac{51}{16} = 3.2$$

$$t = \frac{\sqrt{n-2}}{\sqrt{\frac{\sum f_i^2}{N} - \frac{(\sum f_i)^2}{N^2}}}$$

$$3.2 = \frac{\sqrt{16-2}}{\sqrt{\frac{16.2}{10} - \frac{(3.2)^2}{100}}}$$

$$= \frac{11.97330364}{3.039736831}$$

t - cal = 3.939

t - tab = 1.761

The table 10 above, reveals that the t-calculated value (3.939) is greater than t-tabulated value (1.761) at 0.05 level of significance. Therefore the null hypothesis is rejected and vice versa.

This depicts that there is sufficiency in the enforcement mechanism necessary to assist professional perform creditably.

Conclusion

The paper made the following conclusions.

1. Ethical guidance is very valuable in accounting professional practice
2. Ethical values can reduce the opportunities for malpractice.
3. Good ethical guidance can reduce the incidence fraudulent reporting.

Recommendation

The following recommendations have been proffered based on the finding of the study.

1. Management (Accountant's) decisions should be based on an ethical framework. This framework will strive to provide reliable and precise information to the stake holders and to the stakeholders and to the public. Accountants (professionals) will act with integrity and will be transparent in their disclosures.
2. Accountants should secure compliance with ethical guidance.

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