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Accounting Ethics and the Quality of Financial Reporting: A Survey of Some Selected Oil Exploration and Producing Companies in Nigeria

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Abstract: *This study examined the effect of accounting ethics on the quality of financial reporting: A Survey of Some Selected oil exploration and producing companies in Nigeria. Return on Investment (ROI), Earning per Share (EPS), and Dividend per Share (DPS) were used to proxy for firm financial reporting variables. The researcher identified some key accounting ethics variables which help in carrying out the research and these are; integrity, independence, objectivity, competence and accountability. Three hypotheses were formulated to guide the study. Twenty of the sampled oil exploration and producing companies were administered with one hundred and thirty-three (133) copies of the questionnaire, and data for the study and analysis were drawn from the one hundred and eighteen (118) copies of the administered questionnaire returned by the respondents of the selected twenty (20) companies for the study. The data gathered were ranked on a five point likert's scale and analyzed using the multiple regressions via the E-view statistical package version 3.1. Based on the findings, the results revealed that there is positive relationship between the accounting ethics and the quality of financial reporting with respect to return on investment (ROI), earning per share (EPS), and dividend per share (DPS).*
Keywords: *Accounting Ethics, Oil Exploration and Producing Companies, Quality of Financial Reporting.*

I. Introduction

The nature of the work carried out by accountants and auditors requires a high level of ethics. And these ethical standards as advocated by all stakeholders are expected to play out when the accountants is preparing the financial statement. Stakeholders such as the shareholders, potential shareholders, creditors, government, employees, competitors, host communities, financial institutions and other users of the financial reports rely heavily on the integrity of the yearly financial statements of a company, hence, they expect that the accountant(s) should ethically prepare the financial statement, as these stakeholders uses the financial statement to make an informed decision about their investment. These stakeholders rely on the opinion of the accountant who prepared the statements, as well as the auditors that verified it, to present a true and fair view of the company. Therefore, the knowledge of ethics can help accountants and auditors to overcome ethical dilemmas, thereby allowing for the right choice that, although may not benefit the company out-rightly, rather benefit the public who relies on the accountant/auditor's report. More so, accounting profession exists as a means of public service and has its own ethics. The distinguishing mark of the accounting profession is the acceptance of the responsibility to act ethically in public interest beyond the compensation/remuneration paid by the client.That is the accountant is obliged to act in the interest of all concerns/stakeholders. Well, it is however unfortunate that the ethics of a business has currently be a high profile issue of discussion owing to recent corporate scandals rocking many countries and causing extensive damages to their economy and society. These corporate scandals which has cause the collapsed of many companies all over the world, has question the morality of businessmen in general and accountants in particular. It is argued that the accountants have been the main contributors to the decline in ethical standards of a business. This accusation can be attributed to the fact that there had been series of accounting scandals that have been widely reported upon by the media all over the world. The claims by these accusers', result from the facts that different scandals from organization to organization that relates to fraudulent practices such as negative creative accounting, misleading financial report and analysis, falsification of accounting records and financial statements etc., have been orchestrated by these businessmen with the support of the accountants. And all these sharp practices by the professional accountant who supposes by law/statute to be a representative ofall stakeholdershave resulted to the collapsed of many companies.

Beverly et al [1] says that certain factors have been identified as contributing to unethical behaviour, and these factors are; self-interest, failure to maintain objectivity and independence, inappropriate professional judgment, lack of ethical sensitivity, improper leadership and ill culture, failure to withstand advocacy threats, lack of competence, and lack of organizational and peer supports and lack of professional body support. The International Federation of Accountants (IFAC)[2] in its research report titled as 'Rebuilding public confidence in financial reporting – an international perspective' issued in the aftermath of the collapse of Enron and WorldCom in 2002 concluded that financial scandals experienced in the recent times were symptoms of deeper problems and identified that improvement of ethical standards, adequacy of financial management, reporting mechanisms, audit quality and strengthening of governance regimes as means to improve public confidence in financial reporting. The accounting profession has a responsibility towards these areas, whose deficiencies have led to corporate scandals and collapses. Ofurum and Ogbonna[3], also state that a good practice of Accounting Ethics will check the above negative practices and stop accounting scandals. Accounting Ethics is primarily a field of applied ethics, the study of moral values and judgment as they apply to accountancy. Acceptable ethical practices improve societal and professional values and standards and bring about equity, fairness, peace and social justice.Well, today's ethical conduct of accounting professionals has become a topical issue. It is on this context that this paper focuses on the extent to which the professional accountant's knowledge on Accounting Ethics guides in preparing the quality financial report in fulfilling the obligations to the public expectations.

1.2 Research Hypotheses

The following null hypotheses were formulated to guide the research.

Ho_1: There is no significant relationship between Accountant's ethical standards and financial reporting with respect to Return on Investment.

Ho_2: There is no significant relationship between Accountant's ethical standards and financial reporting with respect to Earnings per Share.

Ho_3: There is no significant relationship between Accountant's ethical standards and financial reporting with respect to Dividend per Share.

The rest of the paper is organized as follows: Section 2 discusses and contains brief review of related literature on previous work done on the subject matter. In section 3, the methods and procedures used in the empirical study is considered. The result and discussion for the study are made in section 4, while section 5 accommodates the conclusions and recommendations of the study.

II. Review of Related Literatures

2.1Introduction

The Oxford Advance Learners Dictionary defined ethics as the "moral principles that controls or influence a person's behaviour. It goes to re-affirms that ethics is a branch of philosophy that deals with the moral and principles. Ethics is all about rules governing the way in which we determine what is 'right' or 'wrong', 'good' or 'bad". Furthermore, "ethics can be seen as a moral issue or standard of conduct as it concerns good, bad, evil, right and wrong, with respect to manage situational circumstances that may arise." Ethic is the standard by which we judge character and action and intending to advance at the fair choice ordecision.

Ethics represent a set of moral principles, rules of conduct or values. Ethics apply when an individual has to make a decision from various alternatives regarding moral principles Hayes et al [4]. Aguolu [5], states that ethics are body of rules, principles, properties and morals of personal conduct and the unwritten regulations governing the behaviour and conduct of an individual or a group of people or a community in their dealings with one another or as it relates to other people with whom they may have business or other social relationships. Ethical behaviour is necessary for society to function in an orderly manner. The need for ethics in society is sufficiently important that many commonly held ethical values of a society such as integrity, loyalty and pursuit of excellence can be incorporated into law.

Ethics is a branch of philosophy which is concerned with the study of what is good and right for human beings. The essence is to ascertain and continuously review how human beings should behave in order to lead a fulfilling life. Leading a fulfilling life will require considering others as well as oneself. It is not sufficient to think of what one consider as right or good but the interest of others who may be affected by one's behaviour must be taken into consideration. This is what ethic advocates for. It is interesting to know that, the development of these moral values is philosophically seen as dependent on the uniqueness of man that makes it possible for him to look for solution to the problems in his environment. In his quest for solutions some standards of morality are developed consistently adhered to and become acceptable to the whole group. The philosophical approach to ethics is usually discussed from various viewpoints. These viewpoints are sometimes referred to as different schools of thought and for each school of thought ethics could be formed on the basis of:

- Deontology: is a theory of duty or obligation. The ethical requirement is based on the 'act' and whether it is right or not.
- Teleology: Is concerned not with the act in itself but with the consequences of the particular act. Also referred to as 'end-based-ethics' or consequentialism.
- Utilitarianism: Is a special version of teleology. It involves with maximizing 'welfare' and sometimes loosely described as creating the greatest good for the greatest number.
- Dilemma: Is a situation in which all available courses of action appear to include morally undesirable as well as morally desirable aspects.

Ethics as it relates to discipline is primarily a field applied ethics. Accounting ethics is a field of applied ethics that study the moral values and judgements as they apply to accounting profession. Ethics may be seen as a science of conduct, it involves learning the right thing and doing the right thing (Nwachukwu, [6]). There could be business ethics, professional ethics and specifically ethics can be related to each particular discipline or profession such as accounting, medicine, management, engineering etc.A professional approach to ethical issues concentrates on how each professional body or organizational unit tackles the problem of ethical requirements. Each professional body or organizational unit is seen as willingly embracing the idea of providing either a code of ethics/ professional conduct or code of best practices/conduct. Ethics as it relates to business is essentially concerned with knowing what is right or wrong in the work place and doing the right thing. They are principles, policies and values that serve as operational guidelines for individuals and organizations for decision concerning what is morally right and wrong (Nwachukwu [6]).

2.2 Accounting Ethics and Financial Reporting

The need and importance of ethical behavior in financial reporting cannot be over-emphasized. Financial reports are the documents and records company put together to track and review how much money their business is making (or not). The purpose of financial reporting is to deliver company financial position/information to the shareholders, potential investor, lenders/creditors and other stakeholders of the business. Financial reporting is the way by which managers give account of their stewardship to their owners and stakeholders in clear terms and language. It explains how resources are acquired, utilized to generate revenue i.e. utilization of assets of the company to generate wealth for all stakeholders. According to Adebayo [7], *"financial reporting is the only way by which managers of organizations give account of their stewardship to their owners and other stakeholders*". He further said that, financial reporting shall disclose in clear terms and languages what resources are acquired and available, how they are utilized and achieved results from such utilization. Financial reporting can also be seen as the process of communication of financial information, and it is a key source of information for managers and other stakeholders who need to make informed choices based on their limited resources in their disposal. Financial reports should possess a high degree of accuracy, completeness, and be concise. It is the duty of the accountant to honestly give a true and fair view of the financial position and performance of a company. Financial reporting is designed to meet the needs of users by providing information that is relevant to making rational investment, creditable, and informed decisions. If the reports of companiesare cooked, then their usefulness is defeated because stakeholders will no longer have trust in the directors, Managers, and the financial statements of company. This will have a ripple effect on the economy, because investors won't be investing. This will in turn create a feeling of indecision by some of the stakeholders as to whether to buy or sell their shares/stock. To avoid this skepticism by all stakeholders, organizations such as Security and Exchange Commission (SEC), Institute of Chartered Accountants of Nigeria (ICAN), Association of Certified Chartered Accountants (ACCA), and other regulatory bodies have put in place effective accounting standards and ethics that are held to a higher degree and that will serve in the preparation of better financial statement with complete information that will support all stakeholders decision making.

2.3 Users of Financial Statement

There are different stakeholders who rely heavily on the financial statement. Amongst these are;

2.3.1 Shareholders of the company

The shareholders are the owners of the company. Both the existing shareholders and the potential shareholders will want to know how effectively the directors/managers are performing in their stewardship function with respect tothe company they are managing. The financial statements/reports form the bases of their assessment and decision making on whether to dispose their shares or to buy more.

2.3.2 The loan creditor group

These are the financial providers. They consist of both potential and existing debenture holders and loan stock holders and providers of short term secured fund. They also wants to know if interest payment will be made promptly and capital repayment will be made as agreed and when due and how easily accessible to dispose of their loan stock. The financial statement is used to do this analysis.

2.3.3 Employee group

The employees groups are also interested in the financial statement to ensure that the company is able to keep it operation going so as to maintain their jobs and payment of their salaries/wages.

2.3.4 The Banks

The bank uses the financial statement to determine if obligation such as loan and interest can be met by the companies.

2.3.5 The Inland Revenue (Government)

This group needs financial statement to determine/access the various taxes payable and other statutory obligation by the company.

2.3.6 Management

Management also relies on published financial statement in addition to the internally published management reports for decision making. That is, financial statements serve as a guide for internal data-users in measuring critical variables that affect the business firm's viability and profitability.

2.3.7 The public

The public consist of various group of individual such as, the tax payer, rate payer, potential investors, job seekers, contractor etc. These various group interests on the financial statement vary with respect to their needs or what they are looking for.

2.4Importance of Accounting Ethics

Ethics is paramount to accounting profession because it help and guides the accountant to be morally outstanding when carrying out his/her duties. We should see ethics as the biblical "light of the world" any accountant who lacks ethics has lost his/her "light". Hence, the groups of people who use financial statement or accounting information expect that the accountants should be highly reliable, trustworthy, objective, competent, and ethically sound in the discharge of their responsibilities/duties especially as it concerns the preparation of the financial statement. They expect that the accountant should exercise due professional care, and a genuine interest in serving their clients and the public. In all their dealings, they are expected to provide quality services, enter into contract arrangements with due process and display at all times high level of professionalism which is consistent with the principles of professional code of conduct. The society and investors places a high degree of confidence and expectations on the professional accountants because of the impact of their activities to all stakeholders. Therefore, auditors and accountants are expected to uphold professional ethical standards and codes of practice when carrying out their duties and responsibilities with respect to the financial position of the firm/company's in with they have contract with, because of the various stakeholders that are involves.

2.5Fundamental Principles of Ethical Standards

Mathews and Perera [8] said to maintain social control; a profession has to devised rules to govern its members. Generally, these rules are encoded in a code of ethics which is a guide to members of a professional community in performing their professional roles. Jenfa[9], Hayes et al [4], ICAN [10] provides fundamental principles and guidelines for professional accountants. These principles include integrity, objectivity, professional competence and due care, confidentiality, professional behaviour, technical standards and independence.

2.5.1 Integrity: A professional accountant should be straight forward and honest in all professional and business relationships. Jenfa [9] says a professional accountant have a responsibility to avoid actual or apparent conflict of interest. The professionals should be able to refrain from engaging in any activity that would prejudice their ability to carry out their duties ethically. According to Osisioma [11], integrity is the ultimate test of professionalism; it is the state of being complete, unified. When I have integrity my words and my deeds match up. I am who I am, no matter where I am or whom I am with. He further notes that integrity is antithetical to the spirit of our age. The overarching philosophy of life that guides our culture revolves around a materialistic consumer mentality. Maxwell (1993) in Nwagboso [12] opines that integrity is not a given factor in everyone's life. It is a result of self-discipline, inner trust and a decision to be relentlessly honest in all situations in our life. Unfortunately in today's world, strength of character is a rare commodity. As a result, we have few contemporary models of integrity. Our culture has produced few enduring heroes, few models of virtue. We have become a nation of imitators but there are few leaders worth imitating. A professional accountant should not be associated with reports, returns, communications or other information where they believe that the information contains materially false or misleading statements.

2.5.2 Objectivity and independence: The principle of objectivity imposes on all professional accountants to be fair, honest and free from conflict of interest and should not allow biasness or undue influence of others to override their professional or business judgment of the mind often desorbed as independence. Jenfa [9] argues that professional accountant have the responsibility to communicate information fairly and objectively and disclose fully all relevant information that could reasonably be expected to influence an intended user's understanding of the reports, comment and recommendations presented. The IFAC code of ethics [13] for professional accountants recognizes that the objectives of accountancy professional are to work to the highest standards of professionalism, to attain the highest levels of performance and generally to meet the public interest requirement.

2.5.3 Professional competence and due care: A professional accountant has a continuing duty to maintain professional knowledge and skill at the level required to ensure that client or employer receives competent professional services based on current developments in practice, legislation and techniques. Competent professional services require the exercise of sound judgment in applying professional knowledge and skill in the performance of such services. Professional competence may be divided into two separate phases of Attainment of professional competence, and Maintenance of professional competence. The maintenance of professional competence requires a continuing awareness and an understanding of relevant technical professional and business developments. Continuing professional developments develops and maintains the capabilities that enable a professional accountant to perform competently within the professional environment. A professional accountant should act diligently and in accordance with applicable technical and professional standards when providing professional services. Diligent encompasses the responsibility to act in accordance with the requirements of an assignment, carefully, thoroughly and on a timely basis. An accountant should ensure that those working under the professional accountant authority in a professional capacity have appropriate training and supervisions. An accountant should also refrain from agreeing to perform professional services which they are not competent to carryout, unless competent advice and assistance are obtained where appropriate, a professional accountant should make clients, employers or other users of the professional services aware of limitations inherent in the services to avoid the misinterpretations of an expression of opinion as an assertion of fact.

2.5.4 Confidentiality: The principle of confidentiality imposes an obligation on the professional accountants to refrain from disclosing the client confidential information acquired as a result of professional or business relationships without proper and specific authority or unless there is a legal or professional right or duty to disclose, and also refraining for using confidential information acquired as a result of professional duty and business relation to their personal advantage or the advantage of third parties. A professional Accountant should maintain confidentiality even in a social environment. The professional accountant should be alert to the possibility of inadvertent disclosure, particularly in circumstances involving long association with a business associate and a close or immediate family member.

A professional accountant should maintain confidentiality of information disclosed by a prospective client or employer, should also consider the need to maintain confidentiality of information within the firm or employer organization. It is his responsibility to take reasonable steps to ensure that staff under his control and persons from whom advice and assistance is obtained respect the professional accountant's duty of confidentiality. The need to comply with the principle of confidentiality continues even after the end of relationship between a professional accountant and a client or employer. When a professional accountant changes employment or acquire a new client, the professional accountant is entitled to use prior experience. The professional accountant should not however, use or disclose any confidential information either acquired or received as a result of a professional or business relationship. However, the following are circumstances where professional accountant are or may be required to disclosure confidential information or when such disclosure may be appropriate. And these are: when disclosure is permitted by law and is authorized by the client or the employer; when disclosure is required by law e.g. production of document or other provision of evidence in course of legal proceedings or, disclosure to the appropriate public authorities of infringements of the law that come to light and, were there is a professional duty or right to disclose.

2.6.Return on Investment (ROI)

Return on investment (ROI), is the most common profitability ratio. There are several ways to determine ROI, but the most frequently used method is to divide net profit by total assets. ROI deals with the money you invest in the company and the return you realize on that money based on the net profit of the business. That is, Return on investment (ROI) measures the gain or loss generated on an investment relative to the amount of money invested. ROI is usually expressed as a percentage and is typically used for personal financial decisions, to compare a company's profitability or to compare the efficiency of different investments. The general formula of this ratio is given as:

$$ROI = \frac{Net\ \mathrm{Pr}ofit\ \ after\ \ tax}{Total\ \ Net\ \ Assets}\ x100\%$$

2.7Earnings Per Share and Dividend Per Share

Earnings Per Share (EPS) and Dividend Per Share (DPS) are two financial ratios required to be disclosed in published corporate financial statements under Companies and Allied Matters Act (CAMA 1990) [14]. Earnings Per Share (EPS) isthe amount per each unit of equity share capital that is in issue and rank for dividend in a particular period. While, Dividend per share (DPS) is the amount paid as dividend to each unit of the equity share capital that is in issue and rank for dividend in a particular period. It shows the amount of profit earned on ordinary shares to the amount of dividend paid. And these are respectively calculated with the formulasgiven below:

$$EPS = \frac{\begin{array}{l} Net\ profit\ attributable\ to\ ordinary\ shareholders\ after\ interest\ taxes, \\ minority\ interest, extra\ ordinary\ items \end{array}}{No.\ of\ ordinary/equity\ shares\ in\ issue\ ranking\ for\ dividend\ in\ the\ period}$$

$$DPS = \frac{Ordinary\ Shares\ Dividend}{No.\ of\ Ordinary\ Shares}$$

III. Methodology

3.1 Research Design

This research design uses quasi-experimental method because the various elements of studies are not under the control of the researcher and the design is combined with cross-sectional survey. The cross-sectional quasi-experimental (sample survey) research design is thus applied because it is a survey that relies on sample elements from the population of interest. The method of analysis used is the multiple regressions and the method of estimation is Ordinary Least Squares (OLS). The research is designed in such a way that meaningful results would be achieved. To conduct this research, the samples for this study were drawn from the accessible populations of the oil exploration and producing companies situated in Port Harcourt, south-south region of Nigeria. From the accessible population, twenty oil exploration and producing companies comprises of multinational and local companies were randomly selected for the study. The sample size of 133 respondents for the study was determined using the Taro-Yemen formula having determined population size considering the various departments of the selected companies. Data for the study were collected for both primary and secondary sources. And the primary data was through questionnaire. The questionnaire was specifically design for the study with the intention of extracting information on accounting ethics and the quality of the financial reporting.

3.2 Operational Measures of Variables

It is very important in statistics to know how a set of observation is measured because this will influence the method of analysis.Therefore, to achieve the overall objective of obtaining high quality primary data, researchers must first understand what they are attempting to measure prior to developing the measurements. The objective of construct development is to precisely identify and defined what is to be measured. And the goal of scale measurement is to determine how to precisely measure the construct moving it from conceptual to operational form. The main variable for the study are Accounting ethics- which is the Independent Variables and this measured or proxy using INTEGRITY, INDEPENDENCE, OBJECTIVITY, COMPETENCE AND ACCOUNTABILITY, while Quality on Financial Reporting stands as the Dependent Variables and is measured via return on investment (ROI), Earnings Per Share (EPS), and Dividend Per Share (DPS).

3.3 Model Specification and Data Analysis

The economic model used in the study (which was in line with what is mostly found in the literature) is given as:

$Y= \beta_0 + \beta x_{it}+U_{it}$

Where, Y is the dependent variable. β_0 is constant, β is the coefficient of the explanatory variable (Accounting Ethic), X_{it} is the explanatory variable and U_{it} is the error term (assumed to have zero mean and independent across time period). It is important to state that this study employed three financial ratios which are return on investment, earnings per share, and dividend per share (i.e. ROI, EPS, and DPS) to measure the quality financial reporting.

The models are specified as follows:
Model I
ROI = f(INTEG, INDEPEND, OBJECT, COMPET, ACCOUNT) ---------------------------------(i)
The econometric transformation of the model:
ROI= α_o +α_1INTEG + α_2INDEPEND + α_3OBJECT+ α_4COMPET + α_5ACCOUNT +U_1 ----- (ii)

Model II
EPS = f(INTEG, INDEPEND, OBJECT, COMPET, ACCOUNT) --------------------------------(iii)
The econometric transformation of the model:
EPS= β_o + β_1INTEG + β_2INDEPEND + β_3OBJECT+ β_4COMPET + β_5 ACCOUNT + U_2--(iv)

Model III
DPS = f(INTEG, INDEPEND, OBJECT, COMPET, ACCOUNT) --------------------------------(iii)
The econometric transformation of the model:
DPS= ∞_o+ ∞_1INTEG + ∞_2INDEPEND + ∞_3OBJECT+ ∞_4COMPET + ∞_5ACCOUNT+ U_3--(iv)

Where:
ROI = Return on Investment as proxy for Quality Financial Reporting
EPS = Earnings Per Share as proxy for Quality Financial Reporting
DPS = Dividend Per Share as proxy for Quality Financial Reporting
β_0= intercept coefficient
β_1= coefficient for each of the independent variable
INTEG = Integrity
INDEPEND = Independence
OBJECT = Objectivity
COMPET = Competence
ACCOUNT = Accountability
U_1 ; U_1 & U_3 = Error term.

Decision Rule:
At 5% (0.05) level of significance, (for the purpose of the study), if the calculated t-value is greater than tabulated t-value, we reject the null hypothesis, if otherwise, we accept the null hypothesis.

IV. Data Presentation and Analysis

4.1 Introduction

This section of the study strictly lay emphasis on presentation, analysis and interpretation of the data obtained on the field work through the administered copies questionnaire which were distributed to the sampled organization in line with the objectives of the study. In view of the above, in order to validate or reject the null hypotheses earlier formulated in section one of this study, the hypotheses were tested by the researcher using the multiple regression model and the results were interpreted to fulfill the purpose of which this study was carried out. The data presentation started by showing the analysis of figures and percentages of copies of questionnaire administered, and the numbers returned by the respondentsof the selected companies for the study. From the table, a total of one hundred and thirty-three (133) copies of questionnaire were administered to respondents of the selected companies for the study, of which only one hundred and eighteen 118 (i.e. 89%) copies questionnaire were returned by the respondents as shown by table 4.1.

Table 4.1:Showing Distributed, Returned and Percentage of Returned Questionnaire

Number of Questionnaire Distributed	Number of Questionnaire Returned	Percentage (%) Returned
133	118	89%

Source: Survey Data

4.2 Testing of Hypotheses

In this section, the three hypotheses stated in section one were tested using the multiple regressions as the statistical tool at 95% confidence level via the E-Views software to determine the extent to which the various independent variables influences the dependent variable of the various hypotheses of the study. This help to give scientific affirmation of the tentative statement (hypotheses) earlier made in section one.

4.2.1 Hypothesis One

Ho_1: There is no significant relationship between Accountant's ethical standards and financial reporting with respect to return on Investment.

From appendix I, R^2 is 0.23. This implies that the independent variables accounting ethics which proxies are integrity, independence, objectivity, competence and accountability explain changes in the return on investment of the companies to the extent of 23 percent, while the remaining 77 percent is accounted for by the error terms which are accommodated in the model I specified above. The regression result indicates that, the proxies for the independent variable - accounting ethics (integrity, independence, objectivity, competence and accountability) are positively related to financial reporting with respect to return on investment (ROI). Hence, for every one percent increase in level of the accountant's integrity, independence, objectivity, competence and accountability there will be positive increase in the quality of the financial reporting with respect to return on investment by 20%; 20%; 19%; 16%; and 13% respectively. The higher the level of the accountant's integrity, independence, objectivity, competence and accountability the more quality of the financial report with respect to returns on investment.

The t-test was used to test the statistical significance of the explanatory variables. Therefore, based on the t-test, integrity, independence, objectivity, competence and accountability have the following calculated t-values of 3.116; 2.329; 2.438; 2.502; and 2.350 respectively they were greater than the tabulated t-value of 1.761 (i.e. 3.116; 2.329; 2.438; 2.502; and 2.350>1.761) and are statistically significant at 5 percent or 0.05 level. Consequently, based on the decision rule in section three which states that at 5% or 0.05 level of significance, if the calculated t-value is greater than tabulated t-value, we should reject the null hypothesis and if otherwise accept it. Therefore, based on this rule, hypotheses one (Ho_1) which states that there is no significant relationship between Accountant's ethical standards and financial reporting with respect to return on investment was rejected having confirmed the regression calculated t-values of the various variable of the independent variable greater than the tabulated t-value of 1.761. This implies that there is positive and significant relationship between accounting ethics and financial reporting with respect to return on investment.

The F-ratio expresses the statistical significance of R-squared. Therefore, since the value of F-tabulated of 3.24 is less than the F-calculated of 6.23. That is, F-calculated 6.23 > F-tabulated 3.24, we conclude the R-squared is statistically significant and can be relied upon as the bases for explanation of changes on the dependent variable.

4.2.2 Hypothesis Two

Ho_2: There is no significant relationship between Accountant's ethical standards and financial reporting with respect to Earnings per Share.

From appendix II, the R^2 is 0.21. This implies that the explanatory variables accounting ethics via it proxies' of integrity, independence, objectivity, competence and accountability explain changes in financial reporting with respect to earnings per share to the extent of 21 percent, while the remaining 79 percent is accounted for by stochastic/error terms which are accommodated in model II specified in section three. This means that the independent variables- accounting ethics explains the variations in the dependent variable – earnings per share to the extent of 21 percent. The regression result indicates that, the proxies for the independent variable -accounting ethics which are integrity, independence, objectivity, competence and accountability are positively related to financial reporting with respect to earnings per share (EPS). Hence, for every one percent increase in the level of the accountant's integrity, independence, objectivity, competence and accountability there will be positive increase in the quality of the financial reporting with respect to earnings per share by 22%; 21%; 16%; 18%; and 12% respectively. The higher the level of the accountant's integrity, independence, objectivity, competence and accountability the more the quality of the financial report with respect to returns on investment.

The t-test was used to test the statistical significance of the explanatory variables. Therefore, based on the t-test, integrity, independence, objectivity, competence and accountability have the following calculated t-values of 2.930; 2.777; 3.220; 2.603; and 2.954 respectively which are greater than the tabulated t-value of 1.761 (i.e. 2.930; 2.777; 3.220; 2.603; and 2.954 >1.761) and are statistically significant at 5 percent or 0.025 level. Well, based on the decision rule in section three of this study which states that at 5% or 0.05 level of significance, if the calculated t-value is greater than tabulated t-value, the null hypothesis should be rejected and it alternative considered or accepted. Therefore, based on this rule, hypotheses two (Ho_2) which states that there is no significant relationship between Accountant's ethical standards and financial reporting with respect to earning per share was rejected having confirmed the calculated t-values of the various proxies of the independent variable which are integrity, independence, objectivity, competence and accountability were greater than the tabulated t-value of 1.761. The implication of the E-views analysis from appendix II, mean that positive relationship between accounting ethics and financial reporting with respect to earnings per share.

The value of F-tabulated of 3.24 is less than the F-calculated of 7.96. That is, F-calculated 7.96 > F-tabulated 3.24, we conclude the R-squared is statistically significant and can be relied upon as the bases for explanation of changes on the dependent variable.

4.2.3 Hypothesis Three

Ho_3: There is no significant relationship between Accountant's ethical standards and financial reporting with respect to Dividend per Share.

The indicated by the computation from appendix III by the E-view statistical analysis, it was found that R^2 was 0.24. This implies that the explanatory variables accounting ethics via it proxies' of integrity, independence, objectivity, competence and accountability explain changes in financial reporting with respect to dividend per share to the tune of 24 percent, while the remaining 66 percent is accounted for by error terms which are accommodated in model III specified in section above. This means that the independent variables-accounting ethics explains the variations in the dependent variable – dividend per share to the extent of 21 percent. The regression result indicates that, the proxies for the independent variable -accounting ethics which are integrity, independence, objectivity, competence and accountability are positively related to financial reporting with respect to Dividend per share (DPS). Hence, for every one percent increase in the level of the accountant's integrity, independence, objectivity, competence and accountability there will be corresponding positive increase in the quality of the financial reporting of the oil companies with respect to dividend per share (DPS) by 21%; 21%; 20%; 12%; and 15% respectively. The higher the level of the accountant's integrity, independence, objectivity, competence and accountability the more the quality of the financial report with respect to returns on investment.

The t-test was used to test the statistical significance of the explanatory variables. Therefore, based on the t-test, integrity, independence, objectivity, competence and accountability have the following calculated t-values of 2.604; 3.492; 3.492; 2.948; and 2.530 respectively and these were greater than the tabulated t-value of 2.145 (i.e. 2.604; 3.492; 3.492; 2.948; and 2.530 > 2.145) and are statistically significant at 5 percent or 0.05 level. Consequently, based on the decision rule in section three of the study which states that at 5% or 0.025 level of significance, if the calculated t-value is greater than tabulated t-value, we should reject the null hypothesis and if otherwise accept it. Therefore, based on this rule, hypotheses one (Ho_3) which states that there is no significant relationship between Accountant's ethical standards and financial reporting with respect to dividend per share (DPS) was rejected having confirmed the calculated t-values of the various variable of the independent variable greater than the tabulated t-value of 1.761. This implies that there is positive and significant relationship between accounting ethics and financial reporting with respect to dividend per share.

The F-ratio expresses the statistical significance of R-squared. Therefore, since the value of F-tabulated of 3.24 is less than the F-calculated of 9.30. That is, F-calculated 9.30 > F-tabulated 3.24, we therefore conclude that R-squared is statistically significant and can be relied upon as the bases for explanation of changes on the dependent variable.

V. Conclusions

5.1 Introduction

With respect to this study which examined accounting ethics and the quality of financial reporting, using some selected oil exploration and producing companies in Port Harcourt, South of South region of Nigeria, the researcher had cause to come to certain conclusions from the finding of the study. That though, they have been many financial and accounting scandals world over that have led to the collapse of many world known large corporate organization as a result of the malpractices and fraudulent activities of the accountant, this study indicated that there is positive and significant relationship between accounting ethics and financial reporting. From the findings of the study, it was revealed that there is a positive correlation between integrity, independence, objectivity, competence and accountability of the accountant and the quality of the financial report. That is, if the accountant adhered to the ethics of integrity, independence, objectivity, competence and accountability during duties, this would go a long way of positively influencing the financial reporting of companies, especially with respect to their return on investment (ROI), earnings per (EPS), and dividend per share (DPS). Therefore, accountant's compliance on the ethical code of conduct and practice in financial reporting will go a long way in ensuring that organizations have quality and reliable financial statement. Accountants are expected to have high level of integrity, objectivity, honest, independent, competent and accountable when performing or carrying out their duties, and when these ethical codes of conducts are exhibited, it would result to the production of quality/reliable financial statements which will give a true and fair view of the financial position and performance of the business. And the implication of a quality and reliable financial statement/report would lead to quality and better informed decision making by all stakeholders.

5.2 Recommendations

Relying on the above findings and conclusions, the following recommendations were offers:

i. Government and Professional Accounting bodies' world over should adopt or design/update of better ethical codes conduct because of the ever changing environment.

ii. Accountants should always adhere to ethically conduct in discharging their official responsibilities, so as to produce a quality and reliable financial statements.

iii. Accountant should always implement their ethical codes of conduct in order to maintain commitment in achieving all stakeholders trust.

iv. Organizations should encourage ethical behavior in the company by educating and creating awareness on the importance of ethical behavior and accounting ethics.

v. Organizations set up an ethical compliance committee to help check and reward ethical behavior in the organization in order to create conducive working environment.

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APPENDIX I

Regression Output for Return on investment (ROI) and Ethical Standards

Dependent Variable: ROI
Method: Least Squares
Sample:118
Included observations: 118

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.944719	2.929828	0.663766	0.5082
Integrity X_1	0.200155	0.064225	3.116466	0.0023
Independence X_2	0.204817	0.087939	2.329079	0.0216
Objectivity X_3	0.193725	0.079435	2.438786	0.0298
Competence X_4	0.161582	0.064556	2.502819	0.0073
Accountability X_5	0.135806	0.057772	2.350724	0.0068

R-squared	0.230768	Mean dependent var	12.72034
Adjusted R-squared	0.151769	S.D. dependent var	3.302125
S.E. of regression	3.041239	Akaike info criterion	5.103856
Sum squared resid	1045.152	Schwarz criterion	5.221258
Log likelihood	-296.1275	F-statistic	6.233536
Durbin-Watson stat	2.477068	Prob(F-statistic)	0.000144

Source: Eview 3.1 output

Appendix II
Regression Output for Earnings per Share and Ethical Standard
Dependent Variable: EPS
Method: Least Squares
Sample: 118
Included observations: 118

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	4.204724	2.380346	1.766434	0.0800
Integrity X_1	0.221128	0.075451	2.930734	0.0041
Independence X_2	0.213312	0.076792	2.777778	0.0064
Objectivity X_3	0.163112	0.050647	3.220514	0.0254
Competence X_4	0.183511	0.087255	2.603135	0.0237
Accountability X_5	0.122253	0.128069	2.954580	0.0341
R-squared	0.219948	Mean dependent var		12.72034
Adjusted R-squared	0.192336	S.D. dependent var		3.302125
S.E. of regression	2.967624	Akaike info criterion		5.054850
Sum squared resid	995.1678	Schwarz criterion		5.172251
Log likelihood	-293.2361	F-statistic		7.965535
Durbin-Watson stat	2.440962	Prob(F-statistic)		0.000011

Source: Eview3.1 output

Appendix III
Regression Output for Dividend per share and Ethical Standard
Dependent Variable: DSP
Method: Least Squares
Sample: 118
Included observations: 118

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	4.618621	2.291770	2.015307	0.0462
Integrity X_1	0.212183	0.081476	2.604224	0.0104
Independence X_2	0.215484	0.061704	3.492220	0.0007
Objectivity X_3	0.205484	0.058840	3.492220	0.0007
Competence X_4	0.121341	0.041146	2.948973	0.0247
Accountability X_5	0.151422	0.074583	2.530255	0.0105
R-squared	0.247859	Mean dependent var		12.72034
Adjusted R-squared	0.221234	S.D. dependent var		3.302125
S.E. of regression	2.914050	Akaike info criterion		5.018413
Sum squared resid	959.5604	Schwarz criterion		5.135815
Log likelihood	-291.0864	F-statistic		9.309426
Durbin-Watson stat	2.494338	Prob(F-statistic)		0.000012

Source: Eview3.1 output