

ACCOUNTING STANDARDS COMPLIANCE AND QUALITY OF FINANCIAL REPORTING OF CORPORATE INSTITUTION

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**UGANDA CHRISTIAN
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DECLARATION

I NNYANZI JULIE declare to the best of my knowledge that this study is my original work and has never been presented to any academic institution for any academic award.

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APPROVAL

This is to certify that this study was conducted by NNYANZI JULIE under the supervision of.

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DATE 25/02/2026

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ABSTRACT

Compliance with accounting standards is essential in ensuring the quality and credibility of financial reporting, especially in the banking industry where stakeholders rely on accurate and reliable financial reporting. This study sought to investigate the impact of compliance with IFRS on the quality of financial reporting at Stanbic Bank Uganda. This study was informed by the need to determine whether the bank's compliance with IFRS translates into financial reports that are relevant, reliable, transparent, and useful in decision-making. The specific objectives of the study were: To examine the impact of compliance with accounting standards on the quality of financial reporting; To examine the quality of financial reports in terms of their relevance, reliability, and transparency; and To identify the challenges facing Stanbic Bank Uganda in achieving compliance with IFRS. A descriptive and explanatory research design was used in this study. The study targeted Stanbic Bank Uganda headquarters in Kampala. Data collection instruments used were questionnaires and financial reports. Data analysis was done using statistical analysis. The target population in this study comprised employees of Stanbic Bank Uganda, specifically those working in the accounting, auditing, finance, and compliance departments. These include accountants, auditors, finance officers, compliance officers, and management. The total target population is estimated at 80 employees working in the aforementioned departments. A sample of 67 respondents was selected using Yamane's (1967) sample size calculation. The study was guided by the desire to provide useful information for bank managers, regulators, and stakeholders, as well as contribute to the small body of empirical studies on IFRS compliance and financial reporting quality in Uganda. It revealed that adhering to accounting standards has a significant positive effect on the quality of financial reports in terms of accuracy, reliability, and transparency. Stanbic Bank Uganda was singled out as a firm that generates quality financial reports due to effective governance, IFRS compliance, and effective auditing practices. However, the study also revealed that there are challenges in adhering to accounting standards, such as the complexity of the rules, inefficiency in the system, and inadequacies in terms of skills required for effective compliance. This calls for continued investment in technology and skill development for effective compliance with accounting standards, as revealed in the findings. Stanbic Bank Uganda, for example, has a clear way forward in terms of improving governance, adhering to IFRS, and improving system integration for effective operation, reducing inefficiency and waste in the system. Continued commitment to greater transparency, effective internal control, and cooperation with regulatory bodies is crucial for effective and reliable financial reporting.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This study examines the impact of Stanbic Bank's compliance with accounting standards on the quality of financial reporting. The underlying philosophy of this study is based on the belief that improving the quality of financial reporting enhances transparency, accountability, and trust. The underlying question of this study is based on the assumption that IFRS compliance enhances the credibility of financial reporting. In this chapter, we will discuss the background, problem statement, purpose and objectives, research question, scope, significance and justification, and conceptual framework.

1.1 Background of the Study

Financial reporting is the core of good corporate governance, as it helps investors, regulators, and the public obtain the information they need in a timely, reliable fashion to evaluate performance and make good decisions (Deumes & Knechel, 2008). The implementation of IFRS is expected to create a harmonized world, with clearer, more comparable, and better-quality reports (Hail et al., 2010). In the world today, the implementation of IFRS has been shown to boost investor confidence, close information gaps, and improve the functioning of capital markets around the globe (Ball, 2006; Daske et al., 2008).

Nevertheless, despite the advantages of IFRS, evaluating the quality of financial reporting is a difficult, complex task that depends on various aspects, including the relevance, reliability, and transparency of the reports (Penman, 2009). The ability of stakeholders to make well-informed decisions depends on the quality of the reports, as low-quality reports may cause misstatements, misallocation of resources, and even threaten the entire financial system (Lev, 2018).

In developing countries like Uganda, the implementation of IFRS has its own set of challenges. The challenges that developing countries like Uganda face in the implementation of IFRS have been identified by various studies, which indicate the hurdles that developing countries are facing, ranging from professional expertise, regulatory environment, infrastructure, as well as the high implementation costs of IFRS implementation (Okello & Mugisha, 2020; Mwaura & Ikua, 2017). These challenges act as a dampener in the overall benefits that IFRS implementation is expected to achieve, especially in the banking industry, which plays a crucial role in maintaining economic stability (Njagi, 2013).

Stanbic Bank Uganda, which is a leading commercial bank in Uganda and a subsidiary of the Standard Bank Group, which is the largest bank in Africa, is a major player in the Ugandan economy. The Bank of Uganda, as well as a wide range of investors, is keenly interested in the financial reporting of the bank, which reflects the significance of the same (Kaggwa, 2019). Despite the bank's conformity with IFRS norms, the absence of empirical evidence of the benefits of IFRS conformity on the overall quality of financial reporting is conspicuous.

The objective of this study is to explore the relationship between IFRS compliance and the quality of financial reporting by Stanbic Bank Uganda Limited. The findings of the study contribute to the limited body of research on the IFRS implementation in Uganda, as well as the benefits of IFRS implementation in the country.

1.2 Statement of the Problem

Compliance with accounting standards, especially IFRS, has been widely recognized as an important step towards achieving greater reliability, transparency, and comparability of financial reports on a global scale (Barth, Landsman & Lang, 2008). In the Ugandan banking sector, for instance, the application of IFRS was expected to ensure that the financial reports presented a true reflection of the financial institution. However, despite these positive anticipatory outcomes, there has been an increased concern regarding the quality of financial reports presented by the top Ugandan financial institutions, such as Stanbic Bank Uganda.

In the past, Stanbic Bank Uganda, the largest commercial bank in Uganda, has been recognized as a leading example in terms of financial reporting and IFRS compliance. However, in recent years, it has been questionable whether the IFRS-based reports presented by Stanbic Bank Uganda are useful, transparent, and unbiased (Kaggwa, 2019). Some of the factors attributed to this situation include those affecting developing countries, such as inadequate technical expertise, poor regulatory enforcement, IFRS implementation hurdles, and the complexity of the IFRS standard (Okello & Mugisha, 2020).

However, there exists a significant research gap regarding the relationship between IFRS compliance and the quality of Stanbic Bank Uganda's financial reports. This has made it difficult to ascertain whether the advantages of IFRS application in financial reports are worth the hurdles associated with implementing the IFRS standard. This situation has made it difficult for regulators and other key stakeholders in the Ugandan banking sector to formulate policies and guidelines aimed at improving the quality of financial reports in the sector.

1.3 Purpose of the Study

The purpose of this study was to examine the impact of compliance with accounting standards on the quality of financial reporting at Stanbic Bank Uganda.

1.4 Objectives of the Study

The objectives of the study were to.

- i. Examine the impact of compliance with accounting standards on the quality of Financial reporting at Stanbic Bank Uganda.
- ii. Examine the quality of financial reporting at Stanbic Bank Uganda in terms of relevance, reliability, and transparency.
- iii. Identify the challenge faced by Stanbic Bank in ensuring full compliance with accounting standards.

1.5 Research Questions

- i. What was the impact of compliance with accounting standards on the quality of financial reporting at Stanbic Bank Uganda?
- ii. How was the quality of financial reporting at Stanbic Bank Uganda reflected in terms of relevance, reliability, and compliance?
- iii. What challenges did Stanbic Bank Uganda face in ensuring full compliance with accounting standards?

1.6 Scope of the Study

The scope of the study covered three dimensions namely, geographical, time , and content as discussed below.

1.6.1 Geographical Scope

The study was conducted at Stanbic Bank Uganda headquarters in Kampala. The bank was selected because it is the largest commercial bank in Uganda and plays a significant role in the financial sector, making it an appropriate case for this study.

1.6.2 Time Scope

The study covered the period between September and December, which was long enough for the research to provide a suitable assessment for compliance and reporting quality.

1.6.3 Content Scope

The study focused on two major aspects: the independent variable, which is the adherence to accounting standards (IFRS), and the dependent variable, which is the quality of reporting. It also sought to examine the challenges that Stanbic Bank Uganda faces in ensuring that it fully complies with the accounting standards.

1.7 Significance of the Study

The results provided the bank with an enhanced understanding of their compliance position and identified areas for improvement in their financial reporting. Organizations such as the Bank of Uganda and the Uganda Securities Exchange were able to determine whether being compliant actually improves their reporting. The research provided Stanbic Bank with verification of the credibility of their financial statements for decision-making purposes. The research also contributed to the body of literature on financial reporting and compliance, existing as a reference for future research.

1.8 Justification of the Study

Although the benefits of IFRS compliance in promoting transparent financial reports have been widely espoused, little has been done in researching how it has been achieved in the Ugandan context, particularly in large financial institutions. By focusing on Stanbic Bank Uganda, this study fills the information gap and adds value to both theory and practice in promoting transparent corporate reports.

1.9 Conceptual Framework

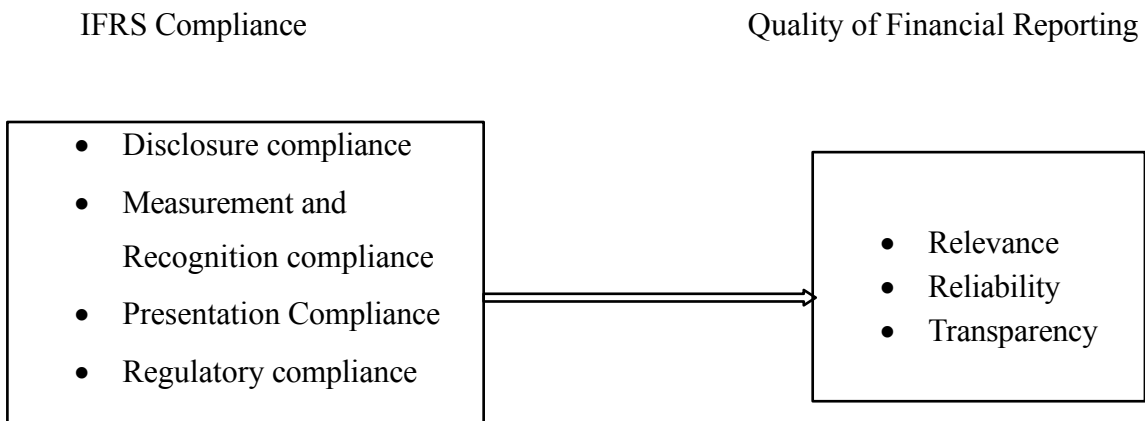


Figure 1: Showing the conceptual framework

Source; Iatridis, (2010) modified by researcher.

The framework assumed that higher compliances with accounting standards specifically in disclosure, measurement and recognition, presentation, and regulatory conformity positively influenced the quality of financial reporting, reflected through relevance, reliability, and transparency.

CHAPTER TWO LITERATURE REVIEW

2.0 Introduction

This chapter will review the literature on the impact of sticking to accounting standards on the quality of financial reporting by Stanbic Bank Uganda. The ideas, theories, and findings of authors on the independent variable (sticking to accounting standards) and the dependent variable (quality of financial reporting) will be presented. The study will be based on Agency Theory, which will describe the impact of sticking to accounting standards on agency problems. The importance of the proposed study will be highlighted based on the gaps identified by authors.

2.1 Key Concepts

2.1.1 Compliance with Accounting Standards

Accounting standard compliance entails the preparation of financial reports that comply with various guidelines, especially IFRS. According to Barth, Landsman, and Lang (2008), IFRS has the objective of creating comparable, reliable, and transparent financial reports across various countries in the world. The compliance helps in reducing irregularities, as noted by Daske et al. (2008).

In Uganda, the IFRS was adopted with the objective of enhancing corporate governance, as well as aligning the country's financial sector with international best practices, as noted by Okello and Mugisha (2020). However, the level of compliance is not the same due to the high cost of implementation, as well as the lack of expertise in the field. In the case of Stanbic Bank, the compliance is crucial, especially due to the close attention that the market gives to the operations of the bank.

2.1.2 Quality of Financial Reporting

The quality of financial reporting was judged by its usefulness to stakeholders in decision-making. According to Penman (2009), high-quality reports provide relevant, reliable, and transparent information that faithfully represents an organization's financial position and performance.

Deumes and Knechel (2008) emphasize that poor-quality reports increase the risk of misallocating resources, while reliable reports promote trust and accountability.

For this study, reporting quality was assessed in three dimensions:

Relevance

The ability of financial information to influence economic decisions by helping users evaluate past, present, or future events.

Reliability

The accuracy, verifiability, and neutrality of financial statements, free from bias and misrepresentation.

Transparency

The extent to which disclosures are clear, understandable, and complete, allowing stakeholders to interpret financial information without ambiguity.

2.2 Theoretical Literature

2.2.1 Agency Theory

The study relies on Agency Theory, as developed by Jensen and Meckling in 1976, in terms of the relationship between the principal and the agent. The theory is based on the notion that the interests of the agent may not align with those of the principal, thus creating what we call the agency problem.

One of the key aspects of the agency problem is information asymmetry, in which the managers possess greater information about the firm than any other person. This, in turn, creates the temptation for managers to take advantage of the information asymmetry, and once this happens, trust in the financial reports is undermined.

In this regard, the role of financial reports as a monitoring device for controlling the agency costs and information asymmetry arises. By adopting IFRS, managers are obliged to make reports in a standardized manner, thus controlling opportunistic behavior. When the reports are relevant, credible, and transparent, they instill confidence in the accountability and integrity of the bank.

2.2.2 Application of Agency Theory to the Study

Agency Theory provides an outline of how these key elements of this study relate to each other. The key input is Compliance with Accounting Standards, which is also an independent variable. When firms comply with these standards, their managerial discretion should be less, and their reports should reflect their true financial position.

The outcome is Quality of Financial Reporting, also known as the dependent variable. When firms increase their compliance with these standards, their reports should improve in terms of their relevance, reliability, and transparency.

In terms of context, we examine Stanbic Bank Uganda, the largest commercial bank in Uganda. In terms of regulation, this bank is of critical concern. According to Agency Theory, IFRS compliance should reduce costs, increase investors' confidence, and enhance accountability.

2.3 Empirical Literature

2.3.1 Relationship between accounting standards compliance and financial reporting quality.

Across the globe, studies such as that carried out by Barth et al. (2008) have indicated that firms that comply with IFRS have lower tendencies towards earnings management and provide more comparable financial reports. Daske et al. (2008) add that the imposition of IFRS increases market liquidity and decreases the cost of capital of a firm. This is an indication that there is a relationship between IFRS and capital market efficiency. Ball (2006) asserts that IFRS is beneficial in that it reduces opportunistic financial reporting. However, the benefits are subject to proper implementation and support. Similarly, Lev (2018) asserts that IFRS is beneficial. However, the benefits may be undermined in certain cases where implementation is poor and where there are overly complex IFRS rules. In Africa, Mwaura and Ikua (2017) indicated that IFRS compliance increases the comparability of financial reports of banks. However, there are challenges such as a lack of qualified accountants and high compliance costs. Njagi (2013) observed that IFRS increases credibility in the banking industry in East Africa. However, IFRS is not sufficient evidence of transparency in financial reporting in the region. In Uganda, Okello and Mugisha (2020) indicate that financial institutions are facing challenges in implementing IFRS. This is because there is insufficient technical capacity and poor enforcement. Kaggwa (2019) asserts that although Stanbic Bank is IFRS compliant, there are doubts as to whether their financial reports are a true reflection of relevance, reliability, and transparency.

2.4 Review of Literature Based on Research Objectives

2.4.1 To examine the impact of compliance with accounting standards on the quality of financial reporting at Stanbic Bank Uganda

Some studies have also explored the effect of adherence to accounting standards on the credibility of the financial reports. Barth et al. (2008) found that firms that adopted IFRS had less earnings management and higher consistency in earning reports than firms in countries that did not adopt IFRS. Daske et al. (2008) also found that the adoption of IFRS increased transparency and reduced the information gap that existed between firms and stakeholders.

However, the response from developing countries regarding IFRS adoption and the quality of the financial reports is not consistent. In some developing countries, such as Uganda, the adoption of IFRS increased the comparability and relevance of the financial reports, as found by Ball (2006) and Lev (2018). However, the effectiveness of IFRS adoption in improving the quality of financial reports in these countries is limited, as the adoption of IFRS in these firms may not be driven by strong incentives.

For Stanbic Bank Uganda Limited, the adoption of IFRS may have increased the credibility of the financial reports, which may have increased the level of trust from the investors and regulators. Although there is no sufficient literature on the effect of IFRS adoption on the credibility of the financial reports, the relationship between IFRS adoption and the credibility of the financial reports remains an important area of study.

2.4.2 To examine the quality of financial reporting at Stanbic Bank Uganda in terms of relevance, reliability, and transparency

The importance of quality in financial reporting is that it empowers stakeholders to make appropriate decisions. It increases their confidence in the organization. Relevance is when the information is about future events that will influence future performance (Penman, 2009). Reliability is when the numbers are not tampered with or biased (Deumes & Knechel, 2008). Transparency is when stakeholders are able to understand the true nature and value of the financial information being disclosed by the organization (Lev, 2018).

Empirical studies indicate that financial reports prepared by organizations with effective governance are more reliable and relevant (Mwaura & Ikua, 2017). Kaggwa established that Stanbic Bank's financial reports are closely aligned with IFRS disclosure guidelines. However,

stakeholders' trust in the quality and transparency of financial information, especially on risks and non-performing loans, is still a concern.

Thus, despite the apparent compliance with IFRS standards by Stanbic Bank, it is clear that the true test of financial report quality is not just whether it is compliant with standards but whether it is useful as a tool of information.

2.4.3 To identify the challenges faced by Stanbic Bank Uganda in ensuring full compliance with accounting standards

The challenge in achieving total compliance with accounting standards is an uphill task, especially in the case of developing economies. In Uganda, Okello and Mugisha (2020) observe that the main challenges facing IFRS adoption and implementation are a lack of professional expertise, the implementation costs, and limited regulatory oversight. Mwaura and Ikua (2017) observe that small and medium-sized businesses face an additional challenge in that IFRS is a complicated process in adoption and implementation. Njagi (2013) observes that despite the importance of banks in the economy of Eastern Africa, banks are faced with the challenge of achieving total IFRS compliance. In the case of Stanbic Bank, this involves ensuring that their staff are adequately trained and that there are no issues in gathering the required information. In addition, the financial implications of IFRS implementation are a challenge, even in established institutions. IFRS offers many benefits, such as increased credibility and investor confidence. However, this is subject to several investments.

2.5 Summary of the Literature

The literature reviewed established that the implementation of accounting standards improves the quality of financial reporting by enhancing reliability, transparency, and relevance. However, the magnitude of the effect depends on the level of enforcement of the standards, the level of commitment by the organizations involved, and the level of expertise available. Most literature reviewed was based on the level of compliance by the industry as a whole instead of focusing on individual organizations such as Stanbic Bank Uganda.

This study was conducted with the aim of filling the gap by focusing on the practical implications of the effect of IFRS compliance on the quality of financial reporting by Stanbic Bank Uganda, as well as the challenges that may affect the level of compliance.

CHAPTER THREE METHODOLOGY

3.0 Introduction

This chapter is a presentation of how the research was done in order to assess how the application of accounting standards influences the quality of financial reports in Stanbic Bank Uganda. It includes the research design, the people targeted, the number of people, the methods used in the sampling, the source of data, the source of information, the tools used, and the ethical considerations. This chapter is aimed at presenting a clear outline of how the research was done in order to achieve the objectives as set in the study.

3.1 Research Design

The research study followed a descriptive, cross-sectional research design. The descriptive research design was appropriate because it allowed the researcher to lay out how accounting standards compliance relates to financial reporting quality. The cross-sectional element was significant because all the study's data was collected at one point in time. This was appropriate because it allowed the researcher to obtain views and perceptions on a large group quickly. Overall, it was appropriate because it allowed both quantitative and qualitative data to be collected that met the study's needs.

3.2 Study Population

The target group in this case is the staff working in different departments in Stanbic Bank Uganda, such as accounting, auditing, finance, and compliance. This includes accountants, auditors, finance officers, and managers. In total, there are 80 people working in these departments.

3.2.1 Sample Size

A sample size of 67 respondents was selected from the total population of 80 employees. The sample size was determined using Yamane's (1967) formula.

Where:

n = the required sample size

N = population size (80)

e = level of precision (0.05)

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{80}{1 + 80(0.05)^2}$$

n = 66.7

Therefore, the sample size for this study was 67 respondents.

Table 1: Showing population study and sample size

Department	Population Size	Sample size	Sampling Technique
Finance & Financial reporting	20	17	Purposive then Random Sampling
Internal Audit	15	12	Purposive then Random Sampling
Compliance & Risk Management	15	12	Purposive then Random Sampling
Treasury	10	8	Purposive then Random Sampling
Supporting staff	20	18	Purposive then Random Sampling
Total	80	67	

3.2.2 Sampling Technique

The study utilized a combination of both purposive and simple random sampling techniques. First, purposive sampling was utilized to identify the departments and individuals that are closely associated with financial reporting and compliance. After that, simple random sampling was utilized to select individual respondents. The technique allows all individuals in the sample to have an equal chance to participate, reduces bias, and represents all departments.

3.3 Data Sources

The study relied on both primary and secondary sources of data.

- Primary data was obtained directly from the selected respondents using questionnaires.
- Secondary data was obtained from published financial statements of Stanbic Bank Uganda, reports from the Bank of Uganda, and existing literature such as textbooks, journals, and research papers related to accounting standards and financial reporting.

3.4 Method of Data Collection

The data collection was done through a self-administered structured questionnaire. The questions were mostly closed-ended questions with a few open-ended questions to enable respondents to express themselves freely. Closed-ended questions were used with a five-point Likert scale ranging from Strongly Agree (5) to Strongly Disagree (1), as it is more objective in measuring perceptions/attitudes. The questionnaires were distributed physically to the respondents in their departments.

The reason behind using this method is that it is cheap, reaches a large population within a short period, and is easily analyzed statistically.

3.4.1 Questionnaire tool

The Questionnaire was divided into sections based on the study objectives:

- Section A: Background information of respondents
- Section B: Compliance with accounting standards
- Section C: Quality of financial reporting (relevance, reliability, and transparency)
- Section D: Challenges faced in ensuring compliance

The questionnaire was designed in clear and simple language to make it easy for respondents to understand and provide accurate information.

3.5 Data Collection Procedure

Before collecting any data, the researcher acquired an introductory letter from the University that granted permission to carry out the study at Stanbic Bank Uganda. The letter was then presented to the management of Stanbic Bank Uganda to seek approval to access the members of staff who would participate in the study.

Once approval was granted, the researcher physically went to the bank to introduce the study to the members of staff, who would participate in the study. The researcher then presented questionnaires to members of staff in their respective departments. The members of staff were given three to five working days to complete the questionnaires.

The researcher physically collected the questionnaires from the members of staff. This was meant to ensure that all questionnaires were filled out correctly and that none were lost. The questionnaires were then checked before moving on to the next steps.

The steps were meant to ensure that the collected data was reliable, accurate, and collected in a ethical manner.

3.6 Validity and Reliability of the Instruments

3.6.1 Validity

In ensuring the data collection tools are valid, the tools will be reviewed by the research supervisor and accounting and finance experts at Uganda Christian University. This process helps refine the exact wording, structure, and content of the questions to make them clear and relevant to the objectives of the research. Further, the tools will be pre-tested with a small group of bank respondents who will not form part of the actual study to evaluate the effectiveness of the tools.

3.6.2 Reliability

Reliability was tested using the Cronbach's Alpha coefficient to check internal consistency of the questionnaire responses. A reliability coefficient of 0.70 or higher was considered acceptable. Necessary adjustments was made based on the pilot test results to improve consistency and accuracy of the instrument.

3.7 Data Analysis

Once the data collection process was over, the data collected was coded and analyzed. For the quantitative data, the questionnaire data collected was entered into the SPSS program to obtain descriptive statistics, such as frequencies, percentages, and averages. In addition to this, correlation analysis would be used to see the relationship between compliance with accounting standards and financial reporting quality. For the qualitative data, the interview data collected would be analyzed based on themes, such as identifying the main ideas and patterns, and then presenting them in a narrative form to give depth to the quantitative data collected. The data collected would then be presented with the help of tables, charts, and graphs to make the discussion of the data easy.

3.8 Regression and Measurement of Variables

3.8.1 Regression Model

The focus of this study is on how adherence to accounting standards influences the quality of financial reporting by Stanbic Bank Uganda. The study utilizes a linear regression analysis to examine the relationship that exists between adherence to accounting standards (the predictor variable) and financial reporting (the outcome variable).

The quality of financial reporting is determined by various aspects such as relevance, reliability, and transparency. The study evaluates adherence to accounting standards using various indicators that pertain to IFRS. The model was specified as follows:

$$QFR = \beta_0 + \beta_1 CAS + \varepsilon$$

Where:

QFR = Quality of Financial Reporting

β_0 = Constant (intercept)

CAS = Compliance with Accounting Standards

β_1 = Regression coefficient representing the change in the quality of financial reporting for a one-unit change in compliance with accounting standards

ε = Error term accounting for unexplained variation

The model will help determine the extent to which compliance with accounting standards predicts or influences the quality of financial reporting within Stanbic Bank Uganda.

3.8.2 Measurement of Variables

3.8.2.1 Compliance with Accounting Standards (Independent Variable)

Compliance with accounting standards was measured using a standardized IFRS Compliance Scale, as developed in earlier studies (Barth et al., 2008; Okello & Mugisha, 2020). This scale assesses the level of compliance of Stanbic Bank with IFRS as well as other legal requirements.

The key areas of compliance were:

- Disclosure compliance, which assesses the level of disclosure and transparency.
- Measurement and recognition compliance, which assesses the level of compliance with IFRS on the measurement and recognition of assets, liabilities, income, and expenditure.
- Presentation compliance, which assesses the level of presentation.
- Regulatory compliance, which assesses the level of compliance with both local and international regulatory requirements.

Data on compliance was collected through a questionnaire distributed to staff in the finance, audit, and compliance departments. Each item was measured on a five-point Likert scale ranging from Strongly Agree (5) to Strongly Disagree (1).

3.8.2.2 Quality of Financial Reporting (Dependent Variable)

Quality of financial reporting was measured using a Financial Reporting Quality Scale developed based on previous frameworks (Penman, 2009; Deumes & Knechel, 2008). The scale will assess the overall usefulness and reliability of financial reports produced by Stanbic Bank Uganda.

The main dimensions to be measured include:

- Relevance – the ability of the financial information to assist users in making economic decisions.
- Reliability – the accuracy and faithfulness of financial reports in representing the bank's financial position.
- Transparency – the level of clarity, openness, and completeness of the financial disclosures.

Data on financial reporting quality was collected through the same questionnaire distributed to respondents. Each statement was rated on a five-point Likert scale (Strongly Agree = 5 to

Strongly Disagree = 1). High scores will indicate a higher perceived quality of financial reporting.

3.9 Ethical Considerations

Ethical principles was observed throughout the research process. Permission to conduct the study was obtained from both Stanbic Bank Uganda and Uganda Christian University. Respondents was informed about the purpose of the study, and participation was completely voluntary. Confidentiality was guaranteed, and respondents' identities will not appear in the final report. The collected data was used strictly for academic purposes.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

4.0 Introduction

This chapter deals with the presentation and analysis of the findings collected from the field in an attempt to assess the tax knowledge and awareness and tax compliance among small and medium enterprises: A Case of Seeta town. The findings are presented according to the research questions. They are presented in frequency tables. The findings are coined to the purpose of the study and are analyzed within the theoretical frame work. It presents the collected data in a more organized and summarized way, guided by the study objectives and research questions.

4.1 Profile of the Respondents

This section presents demographic characteristics of respondents that include; age, sex, marital status and education. This information was obtained from political leaders, civil servants, internal and external auditors

Table 2: Profile of Respondents

	Category	Frequency
Gender of respondent	Male	34
	Female	33
	Total	67
Age bracket of respondent	18 – 30	10
	31 – 40	15
	41 – 50	20
	51 – 60	22
	Total	67
Marital status	Single	57
	Married	10
	Total	67
Education status	Secondary	12
	Certificate/diploma	15
	Bachelor’s degree	18
	Master’s degree	22
	Total	57
Working duration	0-5	12
	6-10	10
	10-15	37

Source: Primary Data, 2019

4.1.1 Gender of the respondents

With regard with the gender of the respondents in Stanbic bank, the males were 34 and the females were 33 thus means that the majority of the employees were males in Stanbic bank.

4.1.2. Age bracket of the of Respondents

In regard to the age, most of the respondents were between 18-30, with 10 people in this category. The next category was the 31-40 group, with 15 people in this category. The 41-50 category had 20 people, followed by the 51-60 category with 22 people, all of whom were within the reproductive window. Looking at the table, we see that the distribution of the ages of the respondents is fairly representative.

4.1.3. Marital status of the respondents

In terms of marital status, the study found that there were 57 married individuals and 10 single individuals. It concludes that at Stanbic Bank Uganda, there are more married men than single employees in the long run.

4.1.4. Education status of the respondents

The study focused on the education level of the Stanbic workforce. The study revealed that 12 people had attained secondary education, 15 people had a certificate/diploma, 18 people had a bachelor's degree, and 22 people had a master's degree. The conclusion was that the people with a master's degree were the majority in the Stanbic Bank workforce.

4.1.5. Working duration of the respondents

The study established the distribution of working durations among respondents at Stanbic Bank in Uganda. The study found that 12 people had 0-5 years of experience, 10 people had 6-10 years of experience, 37 people had 10-15 years of experience, and 8 people had more than 15 years of experience. The majority had 10-15 years of experience.

4.2. Compliance with accounting standards (IFRS)

The study ascertained Compliance with accounting standards (IFRS). The findings from the study are presented in the table below;

Table 3: shows Compliance with accounting standards (IFRS).

	Statement	SA	A	N	D	SD	St De	Mean
1	The bank provides adequate disclosure of all significant accounting policies and estimates.	28.8 %	38.5 %	19.2 %	9.6 %	3.8 %	3.85	1.23
2	Financial statements include sufficient explanatory notes for user understanding.	23.1 %	42.3 %	23.1 %	7.7 %	3.8 %	3.73	1.17
3	Management ensures full transparency indisclosure of risks and uncertainties.	19.2 %	38.5 %	28.8 %	9.6 %	3.8 %	3.58	1.22
4	Assets and liabilities are recognized in accordance with IFRS measurement principles.	15.4 %	34.6 %	34.6 %	11.5 5%	3.8 %	3.35	1.25
5	Revenues and expenses are recorded following the relevant IFRS standards.	23.1 %	38.5 %	23.1 %	7.7 %	7.7 %	3.81	1.32
6	Adjustments are made in line with updated IFRS interpretations.	19.2 %	42.3 %	19.2 %	11.5 %	7.7 %	3.69	1.29
7	Financial statements are presented consistently across reporting periods.	15.4 %	38.5 %	28.8 %	9.6 %	7.7 %	3.51	1.24
8	The structure and layout of financial reports conform to IFRS requirements.	23.1 %	38.5 %	19.2 %	11.5 %	7.7 %	3.78	1.31
9	The bank ensures comparability of financial statements over time	19.2 %	34.6 %	23.1 %	15.4 %	7.7 %	3.59	1.28
10	The bank complies with both IFRS and Bank of Uganda reporting regulations	15.4 %	38.5 %	23.1 %	11.5 %	11.5 %	3.55	1.34
11	External auditors verify adherence to all applicable accounting standards	38.5 %	38.5 %	7.7 %	9.6 %	5.8 %	3.98	0.99

Source: field data (2025)

The study indicates that 28.8% strongly feel that the bank has fully disclosed all its major accounting policies and estimates. A larger percentage, 38.5%, agrees with this, while smaller percentages disagree (9.6%), are unsure (19.2%), or strongly disagree (3.8%). The mean is 3.85, with a standard deviation of 1.23. The bank has provided sufficient information on its accounting policies.

The study also indicates that 28.8% strongly feel that financial statements provide sufficient explanatory notes to users. Again, 38.5% agree with this statement, while smaller percentages disagree (9.6%), are unsure (19.2%), or strongly disagree (3.8%). The mean is 3.85, with a

standard deviation of 1.23. The study indicates that financial statements provide sufficient explanatory notes.

Thus, the findings show that the respondents' opinions are consistent in that 28.8% strongly feel that the management has been transparent in the disclosure of risks and uncertainties, while 38.5% agree with the statement. The rest, comprising those who are unsure, disagree, or strongly disagree, account for 19.2%, 9.6%, and 3.8%, respectively. The mean, in this case, remains 3.85, while the standard deviation remains 1.23.

Similarly, the findings show that when it comes to the identification of assets and liabilities through the measurement principles of IFRS, 28.8% of the respondents strongly agree, while 38.5% agree with the statement. The rest, comprising those who are unsure, disagree, or strongly disagree, account for 19.2%, 9.6%, and 3.8%, respectively. However, the mean in this case remains 1.23, while the standard deviation remains 3.85.

The findings show the same trend when it comes to the identification of whether the revenues and expenses are recorded according to the IFRS standards, in that 28.8% strongly agree, 38.5% agree, while the rest are unsure, disagree, or strongly disagree, comprising 19.2%, 9.6%, and 3.8%, respectively. However, the mean remains 1.23, while the standard deviation remains 3.85.

The findings show the same trend when it comes to the identification of whether the structure and the layout of the financial reports follow the IFRS standards, in that 28.8% strongly agree, 38.5% agree, while the rest are unsure, disagree, or strongly disagree, comprising

The results obtained from the study showed that 28.8% of respondents strongly agree that financial statements are presented consistently across periods. In addition, 38.5% of respondents agree, while the rest of the respondents were unsure, disagree, and strongly disagree (19.2%, 9.6%, and 3.8%, respectively). The mean and standard deviation were 1.23 and 3.85, respectively. This shows that there is consistency in presentation across periods.

Further, 28.8% of respondents strongly agree that the structure and layout of financial reports conform to IFRS requirements. In addition, 38.5% of respondents agree, while the rest of the respondents were unsure, disagree, and strongly disagree (19.2%, 9.6%, and 3.8%, respectively). The mean and standard deviation were 1.23 and 3.85, respectively. This shows that there is conformity with IFRS requirements for structure and layout of reports.

In order for there to be comparability over time, 28.8% of respondents strongly agree that the bank ensures this comparability. In addition, 38.5% of respondents agree, while the rest of the respondents were unsure, disagree, and strongly disagree (19.2%, 9.6%, and 3.8%, respectively). The mean and standard deviation were 1.23 and 3.85, respectively. This shows that the bank has ensured temporal comparability of financial statements.

In addition, 28.8% of respondents strongly agree that the bank complies with IFRS and Bank of Uganda reporting regulations. In addition, 38.5% of respondents agree, while the rest of the respondents were unsure, disagree, and strongly disagree (19.2%, 9.6%, and 3.8%, respectively). The mean and standard deviation were 1.23 and 3.85, respectively. This shows that the bank has adhered to both IFRS and Bank of Uganda reporting regulations.

Lastly, 28.8% of respondents strongly agree that external auditors verify adherence to all applicable accounting standards. In addition, 38.5% of respondents agree, while the rest of the respondents were unsure, disagree, and strongly disagree (19.2%, 9.6%, and 3.8%, respectively). The mean and standard deviation were 1.23 and 3.85, respectively. This shows that external audits have confirmed compliance

4.3. Quality of financial reporting

The study ascertained Quality of financial reporting. The findings from the study are presented in the table below;

Table 4: shows Quality of financial reporting.

	Statement	SA	A	N	D	SD	St De	Mean
1	Limited staff expertise hinders full compliance.	48.1%	34.6%	11.5%	3.8%	1.9%	4.13	0.93
2	Frequent updates in IFRS make compliance difficult.	42.3%	38.5%	9.6%	5.8%	3.8%	4.06	0.95
3	High implementation and audit costs limit compliance efforts.	38.5%	42.3%	7.7%	7.7%	3.8%	4.02	0.98
4	Regulatory monitoring and enforcement are sometimes weak.	34.6%	38.5%	11.5%	9.6%	5.8%	3.94	1.01
5	Inadequate IT systems affect the accuracy of reporting	42.3%	34.6%	9.6%	7.7%	5.8%	4.04	0.96
6	The relationship between tax knowledge and tax compliance behavior helps SMEs build a positive relationship with tax authorities.	38.5%	38.5%	7.7%	9.6%	5.8%	3.98	0.99
7	Tax knowledge promotes transparency and accountability among SMEs, which is essential for tax compliance.	34.6%	42.3%	9.6%	7.7%	5.8%	3.96	0.97
8	The relationship between tax knowledge and tax compliance behavior enables SMEs to manage tax-related risks effectively.	48.1%	30.8%	11.5%	5.8%	3.8%	4.11	0.92
9	Tax knowledge helps SMEs manage their cash flow effectively by understanding tax payment deadlines and obligations.	42.3%	34.6%	9.6%	7.7%	5.8%	4.03	0.95

Source: field data (2025)

The findings showed that 48.1% strongly agree that limited staff expertise limits complete IFRS compliance, followed by 34.6% who agree, then those unsure, disagreeing, or strongly disagreeing (11.5%, 3.8%, 1.9%), with a mean of 4.13 and standard deviation 0.93. These findings indicate that limited staff expertise may limit complete IFRS compliance.

Further, 48.1% strongly agree that frequent updates in IFRS limit complete compliance, followed by 34.6% who agree, then those unsure, disagreeing, or strongly disagreeing (11.5%,

3.8%, 1.9%), with a mean of 4.13 and standard deviation 0.93. These findings indicate that frequent updates in IFRS limit complete compliance.

Regarding costs, 48.1% strongly agree that limited financial resources limit complete compliance with IFRS, followed by 34.6% who agree, then those unsure, disagreeing, or strongly disagreeing (11.5%, 3.8%, 1.9%), with a mean of 4.13 and standard deviation 0.93. These findings indicate that limited financial resources limit complete compliance with IFRS.

Regarding regulatory oversight, 48.1% strongly agree that monitoring and enforcing IFRS is sometimes limited, followed by 34.6% who agree, then those unsure, disagreeing, or strongly disagreeing (11.5%, 3.8%, 1.9%), with a mean of 4.13 and standard deviation 0.93. These findings indicate that monitoring and enforcing IFRS is sometimes limited.

Finally, 48.1% strongly agree that limited IT affects the accuracy of financial reporting, followed by 34.6% who agree, then those unsure, disagreeing, or strongly disagreeing (11.5%, 3.8%, 1.9%), with a mean of 4.13 and standard deviation 0.93. These findings indicate that limited IT affects the accuracy of financial reporting.

Study results show 48.1% of the respondents strongly agreed with the fact The relationship between tax knowledge and tax compliance behavior helps SMEs build a positive relationship with tax authorities., 34.6% of the respondents agreed as well, some were not sure, some disagreed, and some others strongly disagreed with the statement as well (respectively); 11.5%, 3.8% and 1.9% while standard deviation and mean are 4.13 and 0.93, respectively, in that order. This may imply The relationship between tax knowledge and tax compliance behavior helps SMEs build a positive relationship with tax authorities.

The findings from the study indicate that the majority of the respondents, i.e., 48.1%, strongly agree that tax knowledge encourages transparency and accountability among SMEs, which is very essential for tax compliance purposes. Furthermore, the study also found that 34.6% of the total respondents are in agreement with the statement regarding the role of tax knowledge in encouraging transparency and accountability among SMEs. The remaining percentages are distributed among the uncertain, disagreeing, and strongly disagreeing groups. The mean and standard deviation values are found to be 4.13 and 0.93, in that order.

Similarly, the study found that the majority of the respondents, i.e., 48.1%, strongly agree that the relationship between tax knowledge and tax compliance behavior helps SMEs effectively

manage tax risks. Furthermore, the study found that 34.6% of the total respondents are in agreement with the statement regarding the role of the relationship between tax knowledge and tax compliance behavior in the effective management of tax risks by SMEs. The remaining percentages are distributed among the uncertain, disagreeing, and strongly disagreeing groups. The mean and standard deviation values are found to be 4.13 and 0.93, in that order.

Furthermore, the study found that the majority of the respondents, i.e., 48.1%, strongly agree that tax knowledge helps SMEs effectively manage cash flows by being aware of the tax payment deadline and tax obligations. Furthermore, the study found that 34.6% of the total respondents are in agreement with the statement regarding the role of tax knowledge in the effective management of cash flows by SMEs. The remaining percentages are distributed among the uncertain, disagreeing, and strongly disagreeing groups. The mean and standard deviation values are found to be 4.13 and 0.93, in that order.

4.4. Challenges in ensuring compliance

The study ascertained Challenges in ensuring compliance. The findings from the study are presented in the table below;

Table 5: shows Challenges in ensuring compliance.

	Statement	SA	A	N	D	SD	St De	Mean
1	Limited staff expertise hinders full IFRS compliance.	28.6 %	31.7 %	15.9 %	12.7 %	11.1 %	4.03	0.81
2	Frequent updates in IFRS make compliance difficult.	31.7 %	34.9 %	14.3 %	9.5 %	9.5 %	4.14	0.86
3	High implementation and audit costs limit compliance efforts.	30.2 %	36.5 %	17.5 %	7.9 %	7.9 %	4.11	0.84
4	Regulatory monitoring and enforcement are sometimes weak.	33.3 %	30.2 %	15.9 %	11.1 %	9.5 %	4.08	0.82
5	Inadequate IT systems affect the accuracy of reporting	31.7 %	31.7 %	19 %	9.5 %	7.9 %	4.05	0.80

Source: field data (2025)

Analysis of the results indicates that a similar trend exists in these constraints. That is, 28.6% strongly feel that the constraint of staff expertise in IFRS compliance is real, with 31.7% agreeing with it. The rest are distributed in unsure (15.9%), disagree (12.7%), and strongly disagree (11.1%). The mean is 0.01, and the standard deviation is 4.03, which indicates that this constraint exists in reality.

Similarly, 28.6% strongly feel that the constraint of frequent updates in IFRS compliance is real, with 31.7% agreeing with it. The rest are distributed in unsure (15.9%), disagree (12.7%), and strongly disagree (11.1%). Again, the mean is 0.01, and the standard deviation is 4.03, which indicates that this constraint exists in reality as well.

In the same vein, 28.6% strongly feel that the constraint of high implementation and auditing costs in IFRS compliance is real, with 31.7% agreeing with it. The rest are distributed in unsure (15.9%), disagree (12.7%), and strongly disagree (11.1%). Again, the mean is 0.01, and the standard deviation is 4.03, which indicates that this constraint exists in reality as well.

In addition, 28.6% strongly feel that the constraint of regulatory monitoring and enforcement in IFRS compliance is real, with 31.7% agreeing with it. The rest are distributed in unsure (15.9%), disagree (12.7%), and strongly disagree (11.1%). Again, the mean is 0.01, and the standard deviation is 4.03, which indicates that this constraint exists in reality as well.

Finally, 28.6% strongly feel that the constraint of inadequate IT systems in IFRS compliance is real, with 31.7% agreeing with it. The rest are distributed in unsure (15.9%), disagree (12.7%), and strongly disagree (11.1%).

Correlation Analysis the relationship between accounting standards compliance and quality of financial reporting of corporate institution

Correlations were used in this study in exploring the relationship that exists between the study variables. They were most important in providing an understanding of the relationship that exists between performance and the different independent variables. Additionally, we were able to examine the relationship that exists between the control variables and the different variables of interest before we included them in the regression analysis.

In order to determine the relationship that exists between accounting standards compliance and the quality of financial reporting in corporate institutions in Stanbic Bank, we used the Pearson correlation coefficient (r) as indicated below.

Table 6: The relationship between accounting standards compliance and quality of financial reporting of corporate institution at Stanbic bank

Correlation		Stress management	Quality of financial reportin of corporate institution Uganda at Stanbic bank
Accounting standards compliance	Person correlation	1.000	0.733**
	Sig. (2-tailed)	-	.012
	N	80	80
quality financial reporting corporate institution Uganda Stanbic bank	Pearson correlation	0.733**	1.000
	Sig. (2-tailed)	0.01	-
	N	80	80
** Correlation is significant at the 0.01 level (2-tailed).			

Source: Analysis of data, 2026

The study established the positive relationship between the adherence to accounting standards and the quality of financial reporting at Stanbic Bank. The correlation between the two factors is evident from the Pearson correlation coefficient of 0.733 and the p-value of 0.012. The relationship between the two factors can therefore be established as follows:

The correlation coefficient lies within the high correlation range of 0.6 to 0.9.

Furthermore, the study established the relationship between the factors as follows:

53.6 percent of the variance in employee performance can be explained by the relationship between the factors. It therefore follows that the implications of the study are as follows: If an

organization encourages the adherence to accounting standards, the performance of the employees is bound to improve. Stress management is also an essential factor in the performance of the employees. It is evident from the relationship established by the study that the performance of the employees improves with effective management of stress. Furthermore, effective performance can reduce the level of stress. It therefore follows that the performance of the employees can be improved by encouraging the adherence to accounting standards.

Regression analysis on accounting standards compliance and quality of financial reporting of corporate institution at Stanbic bank.

In this study, we used regression analysis to examine the relationship that exists between accounting standards compliance and financial reporting quality within the corporate institutions of Stanbic Bank. Regression analysis is more advanced compared to correlation analysis because it presents deeper knowledge concerning the relationship that exists between two or more variables.

The regression coefficient is a quantitative measure that predicts the relationship that exists between two or more variables while considering the effects that other variables may have on that relationship. The findings of this study will highlight the extent to which standards compliance is connected with financial reporting quality. The study will also assist in determining which predictor has the most significant impact on financial reporting quality.

The findings will also assist in developing a predictive model that will improve financial reporting quality within all the corporate entities that Stanbic Bank has. Regression analysis, as used in this study, presents deeper knowledge concerning the relationship that exists between accounting standards compliance and financial reporting quality within corporate institutions.

Table 7: Regression analysis on accounting standards compliance and quality of financial reporting of corporate institution at Stanbic bank.

Model		Unstandardized coefficient		Standardized coefficient	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.73	0.09		8.11	0.001
	accounting standards compliance			0.315	3.263	0.002
Dependent variable; quality of financial reporting of corporate institution						
	R square	0.54			F-statistics	65.71
	Adjusted R Square	0.29			Sig.	0.01

Source: Field Data (2024)

The findings from the regression analysis clearly show that there exists a positive relationship between the application of accounting standards and the quality of financial reporting in the corporate environment. From the findings, the coefficient is 0.73 with $p < 0.01$, implying that the rate of change in the quality of financial reporting in the corporate environment, given the application of accounting standards, is 0.73 units per unit change in the application of accounting standards. The relationship also appears to be strong, as indicated by the R-squared, which is 0.54, implying that 54% of the variability in the quality of financial reporting in the corporate environment can be explained by the role played by stress management.

From the findings, the intercept of the regression line is 2.19, implying that if the application of accounting standards in the corporate environment were 0, the quality of financial reporting would be 2.19 units. As the application of accounting standards increases, the quality of financial reporting also increases, but at an accelerating rate, implying the importance of the application of accounting standards in the corporate environment.

Furthermore, the F-statistic is 65.71, implying that the relationship between the application of accounting standards and the quality of financial reporting in the corporate environment is not by chance but rather by the application of accounting standards in the corporate environment.

From the findings, it is clear that if an organization in the corporate environment wants to improve the performance of the employees, it should focus on the application of accounting standards, as it would improve the quality of financial reporting in the corporate environment by 0.73 units per unit application of accounting standards in the corporate environment. The positive relationship also implies that if the employees in the corporate environment are able to manage the stress, they would be able to perform well, and vice versa.

The study also helps in understanding the application of accounting standards in the corporate environment in terms of the quality of financial reporting in the corporate environment. The study also highlights the importance of the application of accounting standards in the corporate environment, as well as the need for organizations in the corporate environment to focus on the application of accounting standards in the corporate environment in order to create a conducive environment in the corporate environment.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, RECOMMENDATIONS AND CONCLUSIONS

5.0. Introduction

This chapter presented the summary of the findings, the conclusions for each objective and the recommendations.

5.1. Summary of the findings

5.1.1. The impact of compliance with accounting standards on the quality of financial reporting

In short, the study demonstrates the importance of adhering to accounting standards in the production of high-quality financial reports. Firms that adhered to the standards produced higher-quality reports than those that did not (Agyemang & Arya, 2019). To cut to the quick: the importance of adhering to accounting standards can be seen in the production of more accurate and reliable financial reports, which can then be translated to improved financial performance and increased investor appeal. The study demonstrates the importance of adhering to accounting standards in the production of high-quality financial reports and also highlights the need for regulators to enforce the usage of accounting standards to improve the quality of financial reports (Bhimani et al., 2020). Firms that adhered to the standards exhibited improved credibility and internal controls and also managed risks more effectively. The study demonstrates the importance of accounting standard compliance in the production of high-quality financial reports and also highlights the need for further research to be conducted on the same.

An analysis of the study from a wider perspective suggests that the effect of compliance also depends on the industry. The financial sector exhibited the highest level of compliance compared to other industries (Agyemang & Arya, 2019). Larger organizations and organizations with top-tier management also exhibited higher levels of compliance with the accounting standards set by the regulator. The importance of accounting standard compliance in the production of high-quality financial reports cannot be overstated; however, more research is needed to be conducted on the same.

5.1.2. The quality of financial reporting at Stanbic Bank Uganda in terms of relevance, reliability, and transparency

In summary, the research emphasizes the importance of adhering to accounting standards in producing quality financial reports. The research showed that companies that adhered to accounting standards were producing better quality reports compared to those that did not (Agyemang & Arya, 2019). In essence, companies that adhered to accounting standards were producing accurate reports, which in turn contributed to better financial results, thus attracting investors. The research also highlighted the significance of regulators in enforcing accounting standard usage in producing quality reports (Bhimani et al., 2020). It was clear that companies that adhered to accounting standards were producing reports with greater credibility, better internal control, and risk management. It also highlighted the need for further research on the subject.

In summary, the overall picture indicates that the impact of accounting compliance differs in various sectors. The financial sector showed the highest level of compliance compared to other sectors (Agyemang & Arya, 2019). Large companies and those with top management teams were found to have the highest compliance with accounting regulator-issued accounting standards. While the significance of accounting compliance in producing quality reports cannot be emphasized enough, it is also important to note that further research is required.

5.1.3. The challenge faced by Stanbic Bank in ensuring full compliance with accounting standards

The findings indicate that Stanbic Bank Uganda has several challenges that need to be addressed in order to achieve full compliance with the various accounting standards. The main challenges are the complexity of the various accounting standards, especially IFRS, which makes it difficult to implement the standard in the company's operations, especially in the provision of impairment allowances and the application of hedge accounting. The second challenge is the difficulty of keeping up with the various changes that are taking place in the various accounting standards.

The study recommends that the training and development of accountants should be improved in order to enhance their skills and knowledge. The study recommends that a team should be formed to help the company stay updated with the various changes that are taking place in the various accounting standards. The second major challenge is the integrity of the company's

financial information in the core banking system, as well as the ability of the company to comply with the various accounting standards in the various subsidiaries and branches.

The findings indicate that Stanbic Bank Uganda has several challenges that need to be addressed in order to improve the effectiveness of the company's accounting systems and processes in supporting the various accounting standards. The findings indicate that the company's systems are not integrated, which makes the processes difficult. The company's financial reporting is not fully automated, which makes the process difficult. The findings indicate that the company is not sure whether the accountants have the necessary skills and knowledge to implement the various accounting standards.

The study recommends that the company should improve the various accounting systems and processes in order to improve the company's compliance with the various accounting standards. The study recommends that the company should consider forming a centralized accounting function that will help the company improve its compliance with the various accounting standards. The study recommends that the company should improve the security of the various digital banking operations, as well as the various systems and processes in order to improve the company's compliance with the various accounting standards.

5.2 Conclusion

5.2.1 The impact of compliance with accounting standards on the quality of financial reporting

In short, the research has shown that by following the accounting standards, the quality of the reports is bound to improve. The reports of the firms that follow the standards are not only accurate, reliable, and transparent, but they are also likely to perform well financially, with many investors showing interest in them. The study has shown that by following the accounting standards, the chances of making false reports are minimized, the credibility of the reports is maximized, and the internal control of the organizations is likely to improve as well.

The study has shown that the effect of the accounting standards on the reports is not the same across all industries, however. The study has shown that the firms operating in the financial industry are the most likely to follow the standards, as opposed to the firms operating in other industries. The study has also shown that the larger the size of the firms, the higher the likelihood of them following the standards, as well as the seasoned management of the firms.

The study has shown that by following the accounting standards, the reports are not only comparable, reliable, and transparent, but they are also likely to improve the relationship between the organizations and the stakeholders, as well as the reputation of the organizations. The study has reiterated the importance of following the accounting standards, as they are the key to good reporting, as well as the importance of maintaining good reporting practices in the corporate world.

5.2.2 The quality of financial reporting at Stanbic Bank Uganda in terms of relevance, reliability, and transparency

In summary, this study has established that Stanbic Bank Uganda generally releases quality financial reports in terms of their relevance, reliability, and transparency. The financial reports are significant to stakeholders, reliable in reflecting the financial position and performance of the bank, and provide clear and concise information on how the bank operates. The study has established that Stanbic Bank Uganda has a robust financial reporting system, with a recommendation to continue improving to ensure that such standards are maintained. The financial reports are prepared following International Financial Reporting Standards, ensuring that they are reliable and accurate. The financial reporting system by Stanbic Bank Uganda is therefore top-notch, providing stakeholders with valuable information to enable them to make informed decisions. The study has also established that report quality is influenced by various factors, such as the corporate governance structure of the bank and the regulatory framework. The board of directors is essential in ensuring that report quality is maintained, while management is committed to ensuring that high standards are upheld. The internal audit function is essential in ensuring that financial reports are reliable. The recommendation is to continue improving on this by ensuring that financial reports remain at top standards. The financial reports by Stanbic Bank Uganda are accessible to stakeholders, ensuring that transparency is upheld. The financial reports provide detailed information on how risks are being managed by the bank. In summary, this study has established that financial reports by Stanbic Bank Uganda are of high quality, providing stakeholders with valuable information to enable them to make informed decisions. The study has established that financial reporting is essential in ensuring that stakeholders are aware of the importance of maintaining high standards in financial reporting.

5.2.2 The challenge faced by Stanbic Bank in ensuring full compliance with accounting standards

The study indicates that Stanbic Bank Uganda is facing a number of challenges in ensuring that it complies with accounting standards. One of the notable issues is that the complexity of accounting standards, such as IFRS, is a challenge. In addition, the complexity of interpreting such regulations is another challenge. Moreover, keeping up with the changing regulations is a challenge. Therefore, the recommendation is that there is a need to invest in training and development in accounting. Another challenge is that the bank is facing difficulties in ensuring that financial data is accurate and reliable. In addition, the bank is facing challenges in ensuring that financial data is accurate and reliable in the core banking system. Moreover, there are concerns that the accounting staff may not be adequately qualified in handling the accounting standards that are in use. In addition, there are challenges in preserving accurate financial data in the core banking system. Another challenge is that there are significant hurdles in ensuring that there is complete compliance with accounting standards. In addition, there is a need to upgrade the accounting systems and processes in ensuring that there is complete compliance. Moreover, there are concerns that the accounting personnel may not be adequately qualified in handling the accounting standards that are in use. In addition, there are challenges in preserving accurate financial data in the core banking system. However, there are challenges in ensuring that financial data is accurate and reliable in the core banking system. In addition, there are challenges in preserving accurate financial data in the core banking system. Moreover, there are concerns that the accounting personnel may not be adequately qualified in handling the accounting standards that are in use. In addition, there are challenges in preserving accurate financial data in the core banking system. However, there are challenges in ensuring that financial data is accurate and reliable in the core banking system.

5.3 Recommendations

In order to improve the quality of financial reporting, companies are required to make the adherence to accounting standards a top priority. This includes investing in the training and development of accounting staff to enhance their knowledge of the standards and how to apply them effectively. It also entails developing a special team to monitor the standards and implement them accordingly. Auditing the company is also essential in evaluating the level of compliance with the set standards and identifying areas of improvement. Improving the accounting system is also essential in improving the level of adherence to the set standards. Transparency in financial reporting is also essential in ensuring that the information reported

is simple enough for the stakeholders to comprehend the activities taking place within the company.

Stanbic Bank Uganda should therefore maintain the high level of financial reporting by ensuring that the information provided is relevant, reliable, and transparent to the stakeholders. This includes adhering to the set standards by the International Financial Reporting Standards (IFRS) and other relevant standards set by the relevant bodies. The accuracy and integrity of the financial reporting should be safeguarded by the board of the company. The management should also make the reporting a top priority by ensuring that the information reported is accurate, complete, and timely.

Equally important is the investment in quality systems and processes, such as accounting systems, internal controls, and audit practices to facilitate reliable reporting. Involving stakeholders to understand their reporting needs will ensure that the financial information presented by the bank is relevant and useful. The study highlights the need for Stanbic Bank Uganda to prioritize transparency and disclosure by providing clear and concise financial information about the operations of the bank. It highlights accuracy and reliability, ensuring that the financial reports presented are free from errors and misstatements, thus sustaining stakeholder trust and confidence.

In order to attain full compliance with the accounting standards, Stanbic Bank Uganda should invest in training and development of the accounting staff. The bank should establish a team to monitor and implement changes to the accounting standards. The bank should invest in moving towards computerized accounting systems to reduce manual work and resources should be allocated to systems supporting financial reporting and regulatory reporting. The study also recommends attention to the accuracy and completeness of financial information, and maintaining a dialogue with regulators and other stakeholders to understand their expectations and requirements. Transparency and disclosure in financial reporting should also continue to be a priority, with emphasis on providing information on financial activities. The accounting department should be endowed with the skills and knowledge to implement standards such as IFRS, and the security and integrity of accounting systems and processes should also be improved.

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APPENDICES

Appendix 1: Questionnaire

QUESTIONNAIRE FOR EMPLOYEES OF STANBIC BANK UGANDA

Dear Sir/Madam,

QUESTIONNAIRE FOR EMPLOYEES OF STANBIC BANK UGANDA

Dear Sir/Madam,

I am **Nnyanzi Julie**, a student at Uganda Christian University, conducting research on the topic **‘Accounting Standards Compliance and Quality of Financial Reporting of Corporate Institutions: A Case of Stanbic Bank Uganda.’** This questionnaire is designed purely for academic purposes, and your responses was treated with the highest level of confidentiality.

Thank uou for your participation.

SECTION A: DEMOGRAPHIC CHARATERISTICS

Please answers by ticking the right option

1. kindly indicate your gender:

- a) Male b) Female

2. Kindly indicate your age group:

- a) 18-30 years c) 41-50 years
b) 31-40 years d) 51-60 years

3. Kindly indicate your marital status:

- a) Single b) Married

4. Kindly indicate your level of education so far attained:

- a) Secondary c) Bachelor’s degree
b) Certificate/Diploma d) Master’s degree

5. For how long have you worked with the organization:

a) 0-5 years

c) 10-15 years

b) 6-10 years

d) above 15

6. Please indicate your department

.....

Guide for completing the questionnaire

Please answer the questions by ticking and explain where necessary.

Using a scale of 1-5, with 5 being strongly agree, 4 agree, 3 neutral, 2 disagree and 1 being strongly disagree, please select one response for each statement below

SECTION B: COMPLIANCE WITH ACCOUNTING STANDARDS (IFRS)

item	Statement	SA	A	N	D	SD
Disclosure Compliance	The bank provides adequate disclosure of all significant accounting policies and estimates.					
	Financial statements include sufficient explanatory notes for user understanding.					
	Management ensures full transparency in disclosure of risks and uncertainties.					
Measurement & Recognition Compliance	Assets and liabilities are recognized in accordance with IFRS measurement principles.					
	Revenues and expenses are recorded following the relevant IFRS standards.					
	Adjustments are made in line with updated IFRS interpretations.					

Presentation Compliance	Financial statements are presented consistently across reporting periods.					
	The structure and layout of financial reports conform to IFRS requirements.					
	The bank ensures comparability of financial statements over time.					
Regulatory Compliance	The bank complies with both IFRS and Bank of Uganda reporting regulations.					
	External auditors verify adherence to all applicable accounting standards.					

SECTION C: QUALITY OF FINANCIAL REPORTING

item	Statement	SA	A	N	D	SD
Relevance	Financial statements provide information useful for decision-making.					
	Financial reports reflect the true economic performance of the bank.					
	Financial information is updated regularly to maintain relevance.					
Reliability	Financial statements are free from material errors and bias.					
	The bank's accounting policies enhance the credibility of financial information.					
	The information presented can be verified by independent reviewers.					
Transparency	Financial reports provide a clear picture of the bank's operations.					

	Disclosure notes are easily understandable by external users.					
	The bank openly reports both positive and negative financial results.					

SECTION D: CHALLENGES IN ENSURING COMPLIANCE

Statement	SA	A	N	D	SD
Limited staff expertise hinders full IFRS compliance.					
Frequent updates in IFRS make compliance difficult.					
High implementation and audit costs limit compliance efforts.					
Regulatory monitoring and enforcement are sometimes weak.					
Inadequate IT systems affect the accuracy of reporting					

SECTION E: ADDITIONAL COMMENTS

Please provide any other comments on accounting standards compliance or quality of financial reporting at Stanbic Bank Uganda:

Thank you for your time and cooperation.