

**THE EFFECT OF ACCOUNTING ETHICAL PRACTICES ON THE QUALITY OF  
FINANCIAL REPORTING OF MANUFACTURING COMPANIES IN UGANDA : A  
CASE STUDY OF TORORO CEMENT LIMITED**

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**UGANDA CHRISTIAN  
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DECLARATION

I AKONGO BRENDA hereby declare that this research report is as result of my personal effort and has never been presented to any Institution of Higher Education for any award.

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Reg No: J22Bos/216

Date: 13<sup>th</sup> - MAY - 2024

AKONGO BRENDA

A

APPROVAL

This is to certify that this research report titled accounting ethical practices and financial reporting quality of manufacturing companies in Uganda, a case study of Tororo Cement Limited company" written by AKONGO BRENDA was carried out under my supervision and is now ready for submission to the School of Business .

Sign: 

Date: 13/05/24

MR. ANTHONY KABISYAKI AGUME  
(Research Supervisor)

## DEDICATION

I dedicate this work to entire family for their moral and financial guidance they have accorded to me throughout my life.

## ACKNOWLEDGEMENT

First and foremost my humble thanks go directly to the Almighty God for enabling me reach this honorary level of education.

My sincere and great thanks go to Mr. Agume Anthony for his professional and parental guidance, without his supervision and guidance, this piece of work would not have been a success.

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# CHAPTER ONE

## 1.0 Introduction

This chapter consisted of the background, statement of the problem, research objectives and research questions, scope, significance of the study, and definition of key terms.

## 1.1 Background to the Study

Several definitions of ethics have been given by different scholars in literature. Fisher and Lovell (2003) viewed ethics as the branch of philosophy that concentrates on formal academic reasoning about what is right and what is wrong. Hornby (2010) defines ethics as those moral principles that governs the behaviors of human. The similarity in both definitions was the yardstick of measuring morally acceptable behavior.

Babayanju, et al, (2017) differentiated between value and ethics, while the former are beliefs about what was right and wrong that guides the daily activities of humanity, the latter provides tenets and standards, which are obtained from the theories of ethics, for thinking about the issue. The concept of ethics was interdisciplinary. Virtually every profession had some ethical principles governing its operations. In the accounting world, there are accounting ethics; in the business environment, there were business ethics, in the medical line, there are medical ethics, in engineering, there are engineering ethics, in the legal world, and there are legal ethics and so on. The usefulness of ethics in each of these professions is to create a template for acceptable professional behavior that will guide members in the aspect of performing and discharging their duties to their clients in particular and public in general.

Tororo Cement Limited is the largest Cement manufacturing company in Uganda. It has to its credit production facilities for quality galvanized iron Sheets (2nd largest in the country) Nails and other steel products. Tororo cement is the major supplier of cement to the major construction projects around the country. The Cement and other products from Tororo Cement Ltd are well accepted in the neighboring countries (Rwanda, Congo, Sudan, e.t.c.) where they are being exported. The Cement (Ordinary and Pozzalana), iron Sheets, manufactured by Tororo Cement are in accordance to the International Quality standards and approved by the UNBS. The company is an ISO 9001:2002 certified Company for its Manufacturing, marketing and distribution of Cement, wire and galvanized iron sheet products. Tororo Cement is administered and operated by a fully experienced and qualified professional team of Managers, staff and skilled working force. Tororo Cement Factory is located in the Eastern part of Uganda about 230Km from the Capital Kampala. It is 10Km before the Uganda/Kenya border town of Malaba. Access from Kampala is by an all-weather tarmac road. The factory is well served with

infrastructure such as Road & Rail power. The railway siding from Tororo main station services the factory's main areas of production of Cement, Iron sheets, Wire products, and Raw materials.

Financial reporting is the fulcrum of the art of decision making. Various stakeholders of an organization need financial report in order to assess the performance, profitability, viability and progress of such organization. The financial reports prepared by the accountants are expected to meet the criteria of a good financial report, in order to ensure that 'all and sundry' comprehend the report content (Gois, 2014). To this end, an accountant is liable to the outcomes of his moral choices both for his one life and the lives of other individuals. Catacutan (2006) posits that an accountant who is involved in fraudulent activities destroys his moral being, reputation and endangers the interests of other stakeholders dependent on him.

The essence of preparing and publishing financial reports was to provide stakeholders (such as shareholders, debenture-holders, board, staff, investors, capital providers and the general public) with the necessary information for assessing the performance of an organization. Providing quality financial reports was desirable because it allowed stakeholders to make investment, finance, dividends and resource allocation decisions that enhanced the corporate performance of a firm. The quality of financial reporting shows the extent to which the financial reports of a firm are presented with honesty, integrity, objectivity, professional competence, due care and confidentiality.

## **1.2 Statement of the Problem**

Accountants from time to time are confronted with ethical dilemmas. Accountants in the course of their operations, encounter situations where they are enticed to choose between right and wrong. The accountants' claim to professionalism is premised on their compliance with ethical principles and the will that they would not allow their responsibilities to public interests to mix with personal interests (Babajanyu, etal, 2017). Every profession has its stipulated ethical standards governing members' behaviors. The reason for this, as espouse by Ogbonna and Appah (2011), is because of the incessant occurrences of corporate scandals in the Ugandan business environment. Lack of ethical considerations can deter an organization to achieve its goals and objectives. Joseph and Dike (2014) corroborates that failures of some organizations in the corporate scene is traceable to the inability of accountants of such organizations to comply with codes of conduct premised in the content of financial reports and their skepticism by end users.

The cases of business failures and scandals have led to greater scrutiny of financial reports provided by accountants. The code of corporate governance (2011) mandated that every registered organization in Uganda must have an ethical committee. The ethical committee is faced with the task of deliberating on ethical matters and also promoting ethical principles in an organization. This research aimed at the

Accounting Ethical practices and financial reporting Quality of Tororo Cement Limited company as one of the manufacturing companies in Uganda.

There was need to have proper and sound financial records For any organization to prosper to perform well but unfortunately some organizations at times do not have proper financial records like balance sheet, income statement, cash book, ledgers, bank statements and yet these have an engine of innovation and performance of any organization since they help in decision making, controlling, planning, budgeting, performance appraisal, employee evaluation, funds management, organization performance evaluation, procurements, and many others. These coupled with other problems like failure to forecast correctly future needs, fraud, embezzlements of funds, misuse and poor allocation of funds, evasion of taxes by the prospective tax payers, failure to use records to compare the past and present these if not well dealt which may lead to misuse of funds and cause losses to an organization. Therefore, the researcher picked interest in finding out the impact of Accounting Ethical practices on the quality of Financial reporting of manufacturing companies in Uganda and the case study is Tororo cement in Tororo district

### **1.3 Objectives of the study**

#### 1.3.1 General objectives

To examine the effect of accounting ethics on the quality of financial reports of manufacturing companies using a case study of Tororo Cement Limited.

### **1.4 Specific Objectives**

- i).To examine the effect of disclosure on the quality of financial reports of Tororo Cement Limited.
- ii).To examine the effect of objectivity on the quality of financial reports of Tororo Cement Limited.
- iv).To evaluate the effect of professional independence on the quality of financial reports of Tororo Cement Limited.
- v) To assess the effect of competence on the quality of financial reports of Tororo Cement Limited.

### **1.5 Research Questions**

- i).What is the effect of disclosure on the quality of financial reports of Tororo Cement Limited?
- ii).What is the effect of objectivity on the quality of financial reports of Tororo Cement Limited?
- iv).What is the effect of professional independence on the quality of financial reports of Tororo Cement Limited?

## **1.6 Scope of the Study**

### **1.6.1 Content Scope**

This study examined the effect of accounting ethics on the quality of financial reports of Ugandan firms with strong emphasis on Cement industry in Uganda.

### **1.6.2 Geographical Scope**

The study was carried out at Tororo Cement Limited Company, located in Jinja-Malaba Road P.o. Box 74, Tororo-Uganda

### **1.6.3 Time Scope**

The study has covered the period 3 months from January, 2024 to April, 2024. This is because the time is considered to be enough for the researcher to investigate on the problem under study.

## **1.7 Significance of the study**

This study was of immense benefits in multiple ways.

First of all, the study informs stakeholders of various organizations on how to uphold their stipulated ethical principles in order to avoid cases of business failures and corporate scandals.

Secondly, it propels accountants to adhere strictly to codes of accounting ethics in order to have some elements of reliability in the financial reports prepared and provided by them.

The study, via its findings assisted stakeholders of organizations to make vital investment, finance and dividend decisions in order to promote the overall corporate performance of their organization.

The study instilled the spirit of professionalism, truthfulness, honesty and integrity amongst accountants as they will realize that involvement in fraudulent practices tarnishes their personal and professional reputation, as well hamper on the genuineness of financial information released by them.

Lastly, it acted as a guide for students, researchers and academicians that might be willing to undertake further studies on the subject matter.

## **1.8 Conceptual Framework**

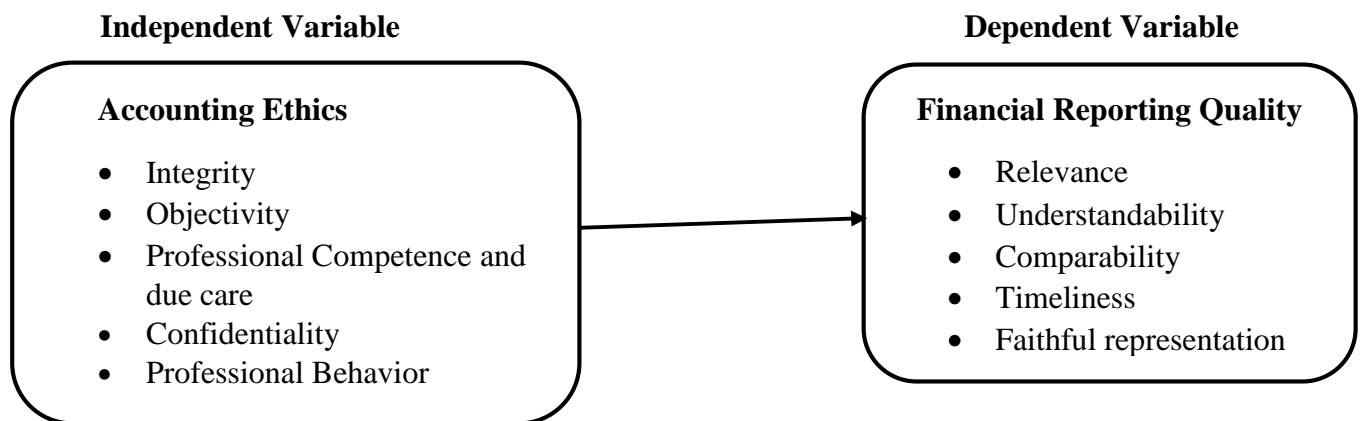
The conceptual framework is a representation of the relationship expected between the variables in the study or the characteristics or properties that the study aims to establish/document. The conceptual framework can be written or visual and are generally developed based on a literature review of existing studies about the study topic.

Note that causal relationships often involve several independent variables that affect the dependent variable. For example, the quality of financial reporting can be influenced/affected by a number of factors such as the integrity, objectivity, professional competence and due care, confidentiality, and

professional behavior. This indicates that when the ethical principles above are adhered to, the quality of financial reporting can be attained.

This causal relationship between the dependent and independent variables can be illustrated by clearly showing the independent variable (the cause) and drawing arrows that point to the dependent variable (the effect).

**Figure 1: Conceptual Framework (Model Specification)**



Source: Bas Swaen & Tegan George, (2022)

### 1.9 Definition of Key Terms

**Ethics:** This refers to a set of moral principles, especially ones relating or to or affirming a specified group, field or form of conduct.

**Accounting Ethics:** This is primarily a field of applied ethics and is part of business ethics and human ethics. Accounting ethics studies moral values and judgments as they apply to accountancy.

**Objectivity:** Objectivity entails that financial report must be independent and supported with unbiased evidence.

**Financial Report:** Financial report (or statements) is a formal record of the financial activities and position of a business, person or other entity. Relevant financial reports such as balance sheet, income and expenditure statement, statement of retained earnings and cash flow statements, must be presented in a structured manner which must be easily comprehensible to the end users.

**Disclosure:** Disclosure refers to the additional information attached to an organization's financial report, usually as explanation for activities which have significantly influenced such organization's financial results.

**Integrity:** Integrity implies that financial report must be accurate, reliable and truthful.

**Professional Independence:** This refers to freedom of professional accountants from control or influence of another party or stakeholder. It implies that professional accountants must be given the free-hand to prepare financial reports devoid of internal and external interference

**Competence:** This refers to the quality of being adequately qualified to handle assigned tasks and responsibilities.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 Introduction

This chapter includes the, conceptual review, review of related studies, and the empirical review.

#### 2.1 Financial Reporting Quality

Financial reporting quality relates to the quality of the information that is contained in financial reports, including note disclosures. High-quality reporting provides relevant, decision-useful information, which objectively represents the economic reality of a company's activities during the reporting period.

Verdi (2006) defines financial reporting quality as the exact manner in which it shows information as regards a business activity as it relates to its anticipated cash flows, with the aim of informing the shareholders about a company's operation. Financial reporting quality is the degree of which financial statement provides us with information that is fair and authentic about the financial position and performance of an enterprise (Tang, Chen & Zhijun, 2008). It could be deduced from the definitions above that for a financial statement to be regarded as possessing high-quality attribute, it must have genuine information about the economic performance, financial position and the activities of the business in relation to its cash flows generation aimed at providing information that are useful to shareholders and other stakeholders of the organization. Martinez-Ferrero, Garcia-Sanchez, and Cuadrado-Ballesteros (2013) also defined financial reporting quality as the faithfulness of information conveyed in financial reporting process. This definition mainly focused on the financial aspect of an organization; thus, we further expanded and modified the definition.

Financial reporting quality could be assessed directly and indirectly. Directly, it could be measured using accruals model, value relevance model, using specific elements in the annual reports and operationalizing the qualitative characteristics (Beest, et al., 2009). It could be indirectly measured using earnings management, financial restatements and timeliness (Barth, Landsman & Lang, 2008; Schipper & Vincent, 2013; Cohen, Krishnamorthy & Wright, 2004). The value relevance model measures the quality of financial reports by focusing on the correlations between accounting figures and stock market reactions (Nichols & Whalen, 2004). The prices of stocks are believed to represent the market value of the firm, while accounting figures represent the firm's value based on accounting procedures (Beest et al., 2009). The model is quite useful but has some drawbacks in ascertaining the accuracy of stock prices and market value of a firm.

Financial reporting quality varies across companies. The ability to assess the quality of a company's financial reporting is an important skill for analysts. Indications of low-quality financial reporting can

prompt an analyst to maintain heightened skepticism when reading a company's reports, to review disclosures critically when undertaking financial statement analysis, and to incorporate appropriate adjustments in assessments of past performance and forecasts of future performance.

### **2.2.1 Impact of Professional Behavior on Financial Reporting Quality of Tororo Cement Limited Company.**

The principle of professional behavior imposes an obligation on professional accountants to pertinent laws and to evade from any activity that may convey disrepute to the profession Nwagboso, (2008). Such activities could be stock market manipulations, insider dealings and creative accounting practices. These activities sure do have personal benefits to the management at the expense of the quality of financial reports expected by users. D'Asquilla (2001) advised that accountants should have positive attitudes in respect to quality financial reports. As it is conspicuously observed that the quantum of pressure management puts on them may impede on their professional behavior principle towards reporting the true and fair view of financial statements.

The rapid development of human society and social relationships become more complex the need to create new ones. Professional development efforts of various products needed in response to changing conditions over time and gradually takes shape and evolves. Thus with development the range of accounting responsibilities, the accounting profession was formed. This means that accounting services are provided under the supervision of a professional association and a member of the Association of Professional Responsibility is a professional (Saghafi, A., H. Rahmani, A. Rabie, 2010).

According to principle of the code 2 AICPA "Members must be committed to the public interest to provide treatment, Respects the public's trust and show commitment to career-oriented (Lee, T., 1994) the professional responsibilities of these counts: 1 - responsibility for society. 2 — Responsibility for client. 3 - Responsibility for other members of the profession. 4 - Responsibility for itself. In other words, professional person should accept that after joining the profession, the interests of clients, and members of the profession to protect their personal interests ahead because the contracts of his career to protect the interests of the public known. Accounting profession to provide true and accurate picture of the performance of an organization is formed (Rules of professional conduct, 2003). Foreword to the rules of professional conduct of certified public accountants in the accounting profession Iran is also one of the most disciplined professional world and Due to the nature of the services provided must be a valid and reliable. Continued trust and strengthening the intellectual and practical adherence to professional standards of conduct depends upon its (Modares, A., A. Raflee, 2008). Professional standards and ethical behavior, it is important to make policy. These policies, such as the main characteristics of the profession, professional relationships with each and every member of the public

relations profession in the covers. The rules of professional conduct are called professional accounting principles. Hence, the nature of accounting as a profession, attention to professional ethics and justifies the creation (Keller, A., A. Craig, K.T. Smith, M.L. Smith, 2019).

Accountant's violation of professional ethics scandal over the economic and financial crisis has resulted. Separation of management from ownership, accountants placed in a position of moral uncertainty or doubt that their behavior is not only confusing and sometimes paralysis of capital markets but also makes it possible for administrators to create distrust the integrity of management activities limited that. Hence, in recent years, the accounting profession toward more restrictive legislation, such as regulations or rules of professional conduct of Captor Sarbanes-Oxley is gone, along with the many manufacturing companies' ethics to include topics have increased their tuition. The quality of financial reporting indicates a limit in which the financial reports of a company, its economic status, and functions, which are measured over period of time, are presented honestly (Talebnia et al., 2011).

Truthfulness of and trust in the financial reporting system depend on far more than the actions and decisions of individuals or sophisticated "mechanisms" for the whole system (Enderle, G., 2006). Companies in the energy, accounting and banking industries and the professional associations of the certified public accountants and the investment managers and researchers have, in varying degrees, affected the quality of and confidence in the financial reporting systems. Therefore, truthfulness of and trust in the financial reporting system cannot be a matter of either personal or institutional ethics alone (Brenkert, G.G., 2016).

Behaving ethically in accounting is more important than auditing because accounting system prepares financial statements for auditing (Mahdavikhou, M., M. Khotanlou, 2011). Accountants have obligations to shareholders, creditors, employees, suppliers, the government, the accounting profession and the public at large. In other words, their obligations go beyond their immediate client. Decisions made on information provided by accountants can materially affect the lives of any or all of these stakeholders. Therefore, Behaving ethically is an essential and expected trait Carroll, R.A.(2005). As a result, an accountant not only meets the moral consequences of their choices in life, but the lives of other people is also Catacutan, R., (2006). A. Professional ethics is important to accountants and those who rely on information provided by accountants because ethical behavior entails taking the moral point of view. Internalizing and developing professional ethics in accounting profession lead to promoting the quality of financial reporting.

**2.2.2 The effect of objectivity on the quality of financial reports of Tororo Cement Limited Company.** The principle of objectivity imposes an obligation on all professional accountants not to compromise their professional or business judgment because of bias, conflict of interest or the undue influence of

others to override professional or business judgments. A professional accountant may be exposed to situations that may impair objectivity. It is impracticable to define and prescribe all such situations. Relationships that causes bias or unduly influence the professional judgment of the professional accountant should be avoided. According to Oraka and Okegbe (2015), this principle requires basic needs of credibility, professionalism, quality of service and confidence. An accountant that holds high the objectivity of the profession will produce more quality financial reports than those who impair objectivity (Ogbonna & Ebimobowei, 2011). This is to say that objectivity has a significant relationship on financial reporting quality, therefore, accountants' compliance on objectivity in financial reporting will go a long way in ensuring organizations have quality financial reports (Enofe et al., 2015; Eginwin & Dike, 2014).

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. B.I. Jenfa. E (2010) argues that professional accountants have the responsibility to communicate information fairly and objectively and understanding of the reports, comment and recommendations presented. The IFAC code of ethics 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 (International Federation of Accountants Committee (IFAC) code of ethics, 2006).

### **2.2.3 The effect of integrity on the quality of financial reports of Tororo Cement Limited Company**

The fundamental principles require that a member should behave with integrity in all professional, business and financial relationships. Integrity implies not mere honesty but fair dealing and truthfulness. Oraka and Okegbe (2015) sees integrity as the value of supreme importance for a Code of Ethics and this can be measured in terms of what is right and just. The principle of integrity imposes an obligation on all professional accountants to be straightforward and honest in professional and business relationships. Integrity also implies fair dealing and truthfulness. Eginwin& Dike, (2014) are of the view that integrity has a positive relationship with financial reporting quality, this is in tandem with the findings of Enofe et al., (2015). Their generalization was based on their estimation techniques (parametric test) and use of c-views tool. So, for better clarity and generalization, a non-parametric test using SPSS was done.

A professional accountant should be straight forward and honest in all professional and business relationships. Jenfa (2009), 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 Osisoma, 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. 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.

#### **2.2.4 Effect of professional competence on the quality of financial reports of Tororo Cement Limited Company.**

A professional accountant has a continuing duty to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques. A professional Accountant should act diligently and in accordance with applicable technical and professional standards when providing professional services. Competent professional service requires the exercise of sound judgment in applying professional knowledge and skill in the performance of such service Professional competence may be divided into two separate phases: 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 development develops and maintains the capabilities that enable a professional accountant to perform competently within the professional environments. Eginiwin and Dike (2014) observed that professional competence and due care positively affects financial reporting quality. Therefore, the attainments and maintenance of professional competence surely improve the quality of financial reports.

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.

## CHAPTER THREE RESEARCH METHODOLOGY

### 3.1 Introduction

This chapter describes the research design and methods for the study. It specifically identified the processes of gathering, analyzing and interpretation of data that were used in the study. This chapter began with the research design, which is a description of the research approach.

### 3.2:2 Research Design

This research used descriptive cross-sectional research design. It involved establishing the relationship between the independent variable and the dependent variable. The reason for this was because it aimed at describing the current situation so that it can be understood clearly (Creswell, J. W.2017). Thus, the gaps identified in it was addressed in order to analyze the supplier collaboration and service performance of selected private manufacturing organizations, both qualitative and quantitative approaches were be used in this study (Plano Clark, V. L. 2018).

The quantitative data was obtained using structured questionnaires from different categories of people such as respondents from the Tororo Cement Limited Company, while the qualitative data was obtained from key informants, interviews and observations (Mugenda O, M and Mugenda, A. G.(2015). Qualitative approach was considered because it tried to draw conclusions in terms of concepts and analysis in terms of understanding, what, where, who among other queries, while the quantitative research approach will be opted for in cases where data needs to be tabulated or represented in graphs or pie charts for easier comprehension (Kothari, C.R. 2014).

### 3.3 Study Population

According to the literature survey, Through the reports and internet resources, the population of Tororo Cement Limited Company was estimated to be 8000 workers(2015), who operated in different departments including; the administration, procurement managers, logistics managers, stores department, Sales/marketing, production department, packaging department (HR Report, 2022).

### 3.4 Sample size determination

The research took into consideration a representative sample of 148 respondents with qualifications, skills, experience and expertise in the accounting and finance field. The population provided the required data needed to successfully carry out the study on “the effect of accounting ethical practices on the quality of financial reporting of manufacturing companies in Uganda.”

Respondent's	Number/frequency	Percentage (100%)
Females	43	29.05%
Males	105	70.94%
Totals	148	100%

### **3.5. Data Collection Methods**

The following methods of collecting data were employed by the researcher so as to obtain the required information in writing this research work. These included; questionnaires, interviews, observation. From table 1 above since this study was largely qualitative, it is stated that this study considered the use of both secondary data and primary data and the following methods of collecting data were employed;

#### **3.5.1 Questionnaires:**

This study was conducted using self-administered questionnaires with closed-ended questions. The respondents were determined and guided by the research questions to the respondents to avoid irrelevant information from the respondents (Yin R. 2014). This method was good especially when acquiring information from head of departments of Tororo Cement Limited Company who tended to be busy doing their work and had little time to attend to external duty (Kothari, C.R. 2017).

#### **3.5.2 Interview guide**

Kakinada (2023), an interview was the face to face conversation between the researchers and was conducted for the purpose of obtaining information. (Bell. E. & A. 2019), further describes an interview as a dialogue between the interviewer and respondent with the purpose of eliciting certain information from the respondents. Interviews take different forms ranging from face-to-face interviews to technology mediated interviews. In this study face-to face interviews was conducted to obtain primary data from different respondents from different departments of Tororo Cement Limited Company. This type of method is credited for allowing the interviewers room for probing and gathering more information depending on the knowledge, ability and experience of the respondents. In using this method, interviews were conducted with the respondents to establish facts about supplier collaboration and service performance of manufacturing companies Tororo Cement Limited Company.

#### **3.5.3 Observation**

A way to gather data by watching people, events, or noting physical characteristics in their natural setting. Observations can be overt (subjects know they are being observed) or covert (do not know they are being watched). So in this study, observation was conducted for more information.

### **3.6 Sources of Data**

#### **3.6.1. Primary Data Sources.**

Primary data was collected using two methods; that was the questionnaire method and interview method. However, it was noted that care and thought was given in the application of these methods since this study has taken a single case study dimension. All sources was generally treated and assessed as of high quality and the diversity of sources and nature of records were in accordance with the multifaceted and holistic approach of this study.

### **3.6.2. Secondary Data Sources**

Therefore, secondary data was collected through the use of a literature survey. Under this method both published and non-published reviewed materials such as books, reports, articles, documents, journals and internet resources were used. The literature survey further provided a useful background of the study topic in question.

### **3.7 Procedures of Data collection**

An introduction letter was obtained from the school of business for the researcher to solicit approval to conduct the study from respective management of Tororo Cement Limited Company. When approved, the researcher secured a list of qualified respondents from Tororo Cement Limited company authorities in charge and selected through systematic random sampling from this list to arrive at the minimum sample size. The respondents were explained to about the study and were requested to sign the Informed Consent Form. During my research, I distributed the questionnaires to the respondents and briefed them on the questions, and therefore requested the respondents to answer the questionnaires completely and also emphasized retrieval of questionnaires within two days from the date of distribution. On retrieval, all returned questionnaires were checked if all were answered. Thus, the data gathered was collected, edited, coded and summarized into the computer.

### **3.8 Data Processing, Presentation and Analysis.**

Editing was done to check the completed responses with purposes of detecting and eliminating errors and identifying vital information that would be essential in coding and tabulation. Coding was done according to whether or not the response was a representative of the objective of the study and realistic to the subject matter. Tabulation involved mainly the use of simple statistical techniques like use of tables and percentages to test significance of the information from which meaningful interpretation was drawn.

### **3.9 Ethical Consideration**

In order to abide by the general best practices that guide empirical studies at Tororo Cement Limited Company, the following process were adhered to, to ensure that this study was ethically done. The researcher was required to obtain an introductory letter of authorization from the university which introduced her to the officials and staff of Tororo Cement Limited Company and the data collected was used for academic purposes and permission was sought from respondents before recording their responses.

The participants that were interviewed were asked to assign a sign-off sheet to prove that they have fully accepted to take part in the study with their consent. In the sign-off sheet, the researcher provided contacts for participants to request for any further information that they need regarding the study.

The researcher assured the participants about confidentiality and that the information given to the researcher would only be used for purposes of this study.

### **3.10 Limitations of the Study**

- i). During the study, I encountered a challenge of uncooperative behavior of some respondents, unapproachable respondents and those who are reluctant to give information, since some respondents required more time to respond to the questionnaires.
- ii). Assessing data was a problem since many respondents doubted the confidentiality of the research project. An introductory letter however was used to persuade the respondents that the research is purely academic.
- iii). The use of research assistants brought about inconsistency in the administration of the questionnaires in terms of time administration, understanding of the items in the questionnaires and explanations given to the respondents. The research assistants were oriented and briefed on the procedures to be done in data collection to minimize the threat

## CHAPTER FOUR PRESENTATION, INTERPRETATION AND ANALYSIS OF FINDINGS

### 4.0. Introduction

This chapter comprised of the findings that were gathered by the researcher from the respondents in selected departments of Tororo Cement Limited Company which included; the administration, procurement managers, logistics managers, stores department, sales/marketing, production department, packaging department on establishing the relationship between supplier collaboration and service performance of selected private organizations, a case of Tororo Cement Industry(TCI).

This was based on the following specific objectives: To examine the effect of disclosure on the quality of financial reports of Tororo Cement Limited Company in Uganda, To examine the effect of objectivity on the quality of financial reports of Tororo Cement Limited Company in Uganda, To examine the effect of integrity on the quality of financial reports of Tororo Cement Limited company in Uganda, To evaluate the effect of professional independence on the quality of financial reports of Tororo Cement Limited company in Uganda and To assess the effect of competence on the quality of financial reports of Tororo Cement Limited company in Uganda.

Presentation and interpretation of data in this chapter has been done with the aid of quantitative method for example the use of tables and personal analysis and interpretation are all presented.

### 4.2 Demographic Profile of Respondents

This was based on the gender of respondents, age and education and the information data was analyzed as presented below

#### 4.2.1 Findings on Gender of Respondents

Here the researcher was interested in gathering information on the gender of respondents and information got was presented in the table below

**Table 3: Show gender respondents**

Respondents	Frequency	Percentage
Male	105	70.94%
Female	43	29.05%
<b>Total</b>	<b>148</b>	<b>100%</b>

*Source: Primary data, April 2024*

Results from table 3 above show that the majority of respondents are male that is 105 Respondents representing (70.94%) of the total respondents and 43(29.05%) of the respondents.. The study findings therefore denote that both genders were involved in the provision of information.

#### 4.2.2 Findings on Age Categories of Respondents

Here the researcher was interested in getting the age of respondents' information given was presented in the table 4.

**Table4: Age categorization**

Age category	Frequency	Percentage
Between 20-30 years	97	65.54%
Between 30-40 years	35	23.64%
Between 40-50 years	16	10.81%
Above 50 years	00	00%
<b>Total</b>	<b>148</b>	<b>100%</b>

*Source: Primary data, April 2024*

Results in table 4, present findings on the age of respondents. 20-30 was the majority age group with 97 (65.54%) of respondents followed by 30-40 years with 23.64%, next were 40-50 years with 10.81% and none of the respondents were of 50 years and above. From the above analysis, it can be construed that the majority of the respondents are mature people and therefore they have prior knowledge as regards on how supplier collaboration influences service performance of selected private manufacturing organizations in Uganda. It is possible that the nature of respondents presents a mature understanding which implies that age categorization prevails in the study.

#### 4.2.3. Findings on Marital Status of Respondents

Here the researcher was interested in getting the marital status of respondents' information given was presented in the table 5 below.

**Table 5: Marital status of respondents**

Marital status	Frequency	Percentage
Married	24	16.21%
Single	60	40.54%
Separated	52	35.13%
Widow	12	8.10%
<b>Total</b>	<b>148</b>	<b>100%</b>

*Source: Primary data, April 2024*

From the table 5 above, 40.54% of respondents in tororo cement were single, 35.13% were separated 16.21% were married while only 8.10% were widowed, thus implying that the company employs workers who are single and thus have enough time to commit themselves towards their work in the company.

#### 4.2.4. Findings on Educational Level of Respondents

Here the researcher was interested in gathering information on the education of respondents and information was presented in the table 6 below;

**Table 6: Educational level of respondents**

<b>Educational level</b>	<b>Frequency</b>	<b>Percentage</b>
Certificate	33	22.29%
Diploma	32	21.62%
Degree	68	45.94%
Masters	15	10.13%
<b>Total</b>	<b>148</b>	<b>100%</b>

*Source: Primary data, April 2024*

According to the findings in table above, it is seen that the majority of the respondents were Diploma holders with 45.94%, followed by respondents with Certificates at 22.29%. 21.62% of respondents amongst staff working in Tororo Cement Limited company were Degree holders, while only 10.13% of staff working in Tororo Cement Limited company were holders of Masters degrees and these were majorly among the management and supervisors. This implies that Tororo Cement Limited Company is dominated by casual laborers only holding Diplomas and secondary level certificates.

#### 4.2.5. Findings on Working Experience of Respondents

Here the researcher was interested in getting the age of respondents' information given was presented in the table7.

**Table 7: Level of Experience**

<b>Experience (Years)</b>	<b>Frequency</b>	<b>Percentage</b>
1-2 years	88	59.45%
3-5 years	50	33.78%
6-9 years	8	5.40%
10 years and above	2	1.35%
<b>Total</b>	<b>148</b>	<b>100%</b>

*Source: Primary data, April 2024*

The findings from the table above show that, 59.45% of workers in Tororo Cement Limited company had worked for 1-2 years, 33.78% had worked for 3-5 years, 5.40% had worked for 6yrs-9 years while only 35% had worked for over 10 years in the company.

### 4.3 Quality of financial reporting in Tororo Cement Limited company

The data about the quality of Financial reporting in Tororo Cement Limited company was got, presented and interpreted as shown below Table 8;

Table 8: Shows responses on the financial reporting quality in Tororo Cement Limited company.

**Table 8: Responses on financial reporting quality**

STATEMENTS	SD		D		NS		A		SA		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
<b>Relevance</b>												
The annual reports disclose forward looking information	23	15.54	20	13.51	14	9.45	38	25.67	53	35.81	148	100
The firms in Uganda uses fair value measurement basis	37	25.00	23	15.54	13	8.78	29	19.59	46	31.08	148	100
The annual report provides feedback information on how various market events	28	18.91	36	24.32	10	6.75	38	25.67	36	24.32	148	100

In reference to the table above on the annual reports disclose forward looking information, 15.54% strongly disagreed, 13.51% disagreed, 9.45% of the respondents were not sure, 25.67% agreed and 35.81% of the respondents strongly agreed that involvement positively enhances the organization activities.

25.0% of the respondents strongly disagreed, 15.54% disagreed, 8.78% of the respondents were not sure while 19.59% of the respondents agreed and 31.08% strongly agreed that the firms in Uganda use fair value measurement basis.

18.91% of the respondents strongly disagreed, 24.32% disagreed, 6.75% of the respondents were not sure while 25.67% of the respondents agreed and 24.32% strongly agreed that every year the annual report provides feedback information on how various market events.

### Understandability

The annual report is well organized	<b>8</b>	<b>5.40</b>	<b>14</b>	<b>9.45</b>	<b>10</b>	<b>6.75</b>	<b>49</b>	<b>33.10</b>	<b>67</b>	<b>45.27</b>	<b>148</b>	<b>100</b>
The notes to the balance sheet and the income statement are clear	28	18.91	36	24.32	29	19.59	18	12.16	37	25.00	148	100
Graphs and tables clarify the information presented	18	12.16	6	4.05	17	11.48	36	24.32	71	47.97	148	100
The use of language and technical jargon is easy to follow in the annual reports	9	6.08	17	11.48	11	7.43	48	32.43	63	42.56	148	100

5.40% of the respondents strongly disagreed, 9.45% disagreed, 6.75% of the respondents were not sure while 33.10% of the respondents agreed and 45.27% strongly agreed that the annual report is well organized

On whether the respondents agree that the notes to the balance sheet and the income statement are clear, 18.91% of the respondents strongly disagreed, 24.32% disagreed, 19.59% of the respondents were not sure while 12.16 % of the respondents agreed and 25.0% strongly agreed.

For the case weather Graphs and tables clarify the information presented, 12.16% of the respondents strongly disagreed, 4.05%disagreed, 11.48%of the respondents were not sure while 24.32% of their respondents agreed and 47.97%stronglyagree.

The use of language and technical jargon is easy to follow in the annual reports, 6.08% of the respondents strongly disagreed, 11.48% disagreed, 7.43% of the respondents were not sure while 32.43 % of the respondents agreed and 42.56% strongly agreed.

### Comparability

The notes to changes in accounting policies explain the implications of the change	31	20.94	33	22.29	29	19.59	25	16.89	30	20.27	148	100
The notes to revisions in accounting estimates and judgments explain the implications of the revisions	24	16.21	9	6.08	20	13.51	31	20.94	64	43.24	148	100
The results of current accounting period are compared with results in previous accounting period	9	6.08	17	11.48	11	7.43	48	32.43	63	42.56	148	100
Information in the annual reports is comparable to information provided by other organizations	28	18.91	36	24.32	27	18.24	20	13.51	37	25.00	148	100

20.94% of the respondents strongly disagreed, 22.29% disagreed 19.59% of the respondents were not sure while 16.89% of the respondents agreed and 20.27% strongly agreed that the notes to changes in accounting policies explain the implications of the change.

The notes to revisions in accounting estimates and judgments explain the implications of the revisions, 16.21% of the respondents strongly disagreed, 6.08% disagreed 13.51% of the respondents were not sure while 20.94% of the respondents agreed and 43.24% strongly agreed.

The results of current accounting period are compared with results in previous accounting period, 6.08% of the respondents strongly disagreed, 11.48% disagreed 7.43% of the respondents were not sure while 32.43% of the respondents agreed and 42.56% strongly agreed

18.91% of the respondents strongly disagreed, 24.32% disagreed 18.24% of the respondents were not sure while 13.51% of the respondents agreed and 25.0% strongly agreed, that information in the annual reports is comparable to information provided by other organizations

#### 4.4 Ethical Accounting Practices

The Ethical accounting practices on the service performance of Tororo Cement Limited company. The data collected was presented as shown on Table9: below;

**Table 9: Responses on Accounting Ethical Practices**

STATEMENTS	SD		D		NS		A		SA		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
<b>Integrity</b>												
Adherence to high ethical standards helps boost the integrity of financial statements.	37	25.00	23	15.54	13	8.78	29	19.54	46	31.08	148	100
Accountants engaging in insider dealings tend to compromise the integrity of financial reports.	28	18.91	36	24.32	10	6.75	38	25.67	36	24.32	148	100
Acceptance of gift items by professional accountants affects the integrity of financial report.	31	20.94	26	17.56	3	2.02	60	40.54	28	18.91	148	100
Violation of ethical core values undermines the integrity of financial reports.	8	18.91	14	16.21	10	6.75	49	32.88	35	23.64	148	100

The table present findings on whether respondents agree that Adherence to high ethical standards helps boost the integrity of financial statements; 31.08% of the respondents strongly agreed, 19.54% agreed, 8.78% the respondents were not sure and 25.0% strongly disagreed, and 15.54% of the respondents disagreed.

The study findings on whether respondents agree Accountants engaging in insider dealings tend to compromise the integrity of financial reports., 24.32% of the respondents strongly agreed in respect, 25.67% agreed, 6.75% were not sure, 18.91% of the respondents strongly disagreed and 24.32% disagreed.

The findings on whether Acceptance of gift items by professional accountants affects the integrity of financial report, 18.9% strongly agreed in respect, 40.5% agreed, 2.02% were not sure, 20.9% of the respondents strongly disagreed and 17.56% disagreed.

The findings on whether Violation of ethical core values undermines the integrity of financial reports, 18.91% of the respondents strongly disagree, 32,8 agreed, 6.75% were not sure, 23.64% of the respondents strongly agree and 16,21% disagreed.

<b>Objectivity</b>												
The objective presentation of financial statement is not affected by ethical values prevalent in an organization.	21	14.18	10	6.75	24	16.21	58	39.18	32	21.62	148	100
Financial statements should be prepared and presented in accordance with ethical guidelines within the organization.	36	24.32	26	17.56	10	6.75	44	29.72	32	25	148	100
Ethical standards are duly observed in the presentation of financial statement of Nigerian firms	28	18.91	36	24.32	18	12.16	18	12.16	37	47.29	148	100
Professional accountants are always objective in the preparation of financial statements	17	11.48	7	4.72	17	11.48	35	23.64	70	21.62	148	100

The findings on whether the objective presentation of financial statement is not affected by ethical values prevalent in an organization. 21.62% of the respondents who strongly agreed. 39.1% agreed, 16.21% were not sure, 6.75% disagreed and 14.18% strongly disagreed.

25% of the respondents strongly agreed that Financial statements should be prepared and presented in accordance with ethical guidelines within the organization., 29.7% agreed, 17.56% disagreed and 6.75% of the respondents were not sure not sure and 24.32% of respondents strongly disagreed.

For the issue of whether it comes to Ethical standards are duly observed in the presentation of financial statement of Ugandan firms;47.29% strongly agreed, 12.16% agreed, 12.16% were not sure, 24.32% disagreed and 18.91% of the respondents strongly disagreed with the statements.

Results in present findings on Professional accountants are always objective in the preparation of financial statements, 21.62% of the respondents who strongly agreed, 23.64% agreed 11.48% were not sure, 4.72% disagreed and 11.48% strongly disagreed that incentive Collaboration increases ownership integration.

<b>Professional Competence and due care</b>												
Ethics has a significant effect on the faithful disclosure of financial reports.	21	14.18	10	6.75	24	16.21	58	39.18	32	21.62	148	100
Disclosure of items in the financial statement is affected by personal interest of the professional accountant.	36	24.32	26	17.56	10	6.75	44	29.72	32	21.62	148	100
Financial statement disclosure is affected by the professional competence of accountants.	28	18.91	36	24.32	27	18.24	18	12.16	37	25	148	100
Quality disclosure of items in the financial statement is a reflection of compliance with ethical standards.	17	11.48	7	4.72	17	11.48	35	23.64	70	47.29	148	100

21.62%stronglyagreed, 39.18%agreed, 16.21%werenot sure6.75%disagreed and 14.18% strongly disagreed that Ethics has a significant effect on the faithful disclosure of financial reports.

For the case whether Disclosure of items in the financial statement is affected by personal interest of the professional accountant; 29.72% agreed, 6.75% were not sure, 17.56% disagreed and 24.32% strongly disagreed.

While 25% of the respondents who strongly agreed, 12.16% agreed 18.24% were not sure. 24.32% disagreed and 18.91% strongly disagreed that Financial statement disclosure is affected by the professional competence of accountants.

While 47.29% of the respondents who strongly agreed, 23.64% agreed, 11.48% were not sure, 4.72% disagreed and 11.48% of respondents strongly disagreed that Quality disclosure of items in the financial statement is a reflection of compliance with ethical standards

<b>Confidentiality</b>												
Information acquired as a result of professional and business relationships should not be used for the personal advantage	31	20.94	26	17.56	28	18.91	12	8.10	51	34.45	148	100
Business dealings should be strictly business	10	6.75	18	2.16	20	13.51	60	40.54	40	27.02	148	100
Accountants do uphold to high standards on confidentiality	19	12.83	18	2.16	20	13.51	26	17.56	66	44.59	148	100
Personal information should not be brought in to the business scenario	33	22.29	22	14.86	24	18.91	12	8.10	57	38.51	148	100

When it comes to Information acquired as a result of professional and business relationships should not be used for the personal advantage; 34.45% of respondents strongly agreed, 8.10% agreed, and 18.91% were not sure, 17.56% of the respondents disagreed and 20.94% of respondents strongly disagreed.

27.02% of the respondents strongly agreed, 40.54% agreed, 13.5% were not sure, 6.75% of the respondents strongly disagreed and 2.16% disagreed that Business dealings should be strictly business

Results in present findings on Accountants do uphold to high standards on confidentiality. 44.59% of the respondents who strongly agreed, 17.56% agreed, 13.51% were not sure, 2.16% disagreed and 12.83% strongly disagreed that incentive Collaboration increases ownership integration.

38.51% of the respondents who strongly agreed, 8.10% agreed, 18.91% were not sure, 14.86% disagreed and 22.29% strongly disagreed that Personal information should not be brought into the business scenario.

## CHAPTER FIVE

### DISCUSSION OF THE FINDINGS

#### 5.0 Introduction

This chapter entailed the Summaries of Research Findings, conclusions that are drawn from the findings as well as recommendations aimed at improving service performance in Tororo Cement Limited company.

#### 5.1 Discussion of Findings

The objective of this study was to investigate the effect of ethical accounting practices on financial reporting quality. A survey of both practicing and non-practicing accountants of Tororo Cement Limited company. The code of conducts on accountants were used as no ethical accounting practices proxy, while the IASB qualitative characteristics were used to proxy financial reporting quality. Our result gave corroborating evidence on the subject matter as expected on the model expectations (a priori expectations) as also in line with the utilitarian theory.

Professional Behavior significantly and positively affect financial reporting quality, our findings were cooperated by D'Asquilla (2001), who opined that accountants have positive attitudes in respect to quality financial reports. This can be justified due to the pressure management puts on them as regards quality reporting and ethical behavior. Secondly. it was discovered that objectivity significantly and positively affects financial reporting quality.

This finding was further buttressed by Ogbonna and Ebimobowei (2011), who believed that accountants who hold high the objectivity of the profession will produce a quality financial report, than those who impair objectivity. Integrity also significantly and positively affects financial reporting quality. This finding is in tandem with works of Eginwin & Dike, (2014) and Enofe et al. (2015), which also saw that integrity have a positive relationship on financial reporting quality.

Confidentiality positively and insignificantly has an impact on financial reporting quality in Tororo Cement Limited company. Our result is consistent with the works of Ogbonna and Ebimobowei (2011) and Enofe et al. (2015), who also saw that confidentiality does not significantly affect financial reporting quality. This could be as a result of the Statistical estimation technique and small population used in their study.

Lastly, it was found out that professional due care and competency has affected the financial reporting quality. A professional accountant has a continuing duty to maintain professional knowledge and skill at the level required to ensure that a client or employer received competent professional service based on current developments in practice, legislation and techniques.

## 5.2. Conclusion

In this study, the effect of ethical accounting practices on the financial reporting quality was investigated. On the basis of the findings, the study concludes that a high ethical standard is fundamental in achieving an objective, reliable and transparent financial report. The following recommendations are provided to improve the financial reporting framework:

Accountants should uphold high positive attitudes with respect to quality financial reports.

Relationships that bias or unduly influence the professional judgment of the professional accountants should be avoided.

Professional accountants should behave with integrity in all professional, business and financial relationships

Confidential information acquired as a result of professional and business relationships should not be used for the personal advantage of the professional accountant or third parties.

A professional Accountant should act diligently and in accordance with applicable technical and professional standards when providing professional service.

In addition to the above, it is also recommended to the academics that similar studies may be carried out on the effect of religion on financial reporting quality and also the sample size could be increased to have a robust result for better generalization.

Ethical codes of the accounting profession have a strong influence on the conduct of accountants. It was found that there are other major influence which accountants believe have impact on their professional conducts like policies and rules of companies like Tororo Cement Limited company where accountants work, religion were found not to have major influence in the profession conduct of accountants. The legal system, societal value systems and beliefs in not harming the society also inter-played in the accountants' professional conduct.

Many accountants are of the opinion that the ethical codes by the professional bodies in Uganda, Tororo Cement Limited company is insufficient in their profession conduct as they confirm that other factors have an inter-play in their day to day professional conduct. The ethical codes do not cover such cross border information and thus extend the liability of accountants. Based on the findings generated from this study the following recommendations are made:

1. The accountant in practice needs to pay attention to good ethical conduct and there is the need to adhere strictly to the ethical code of conduct.
2. Members need to sign a declaration of compliance with ethical codes periodically. This may be once every year or two years

## APPENDIX I: QUESTIONNAIRE

Dear Sir/Madam,

### REQUEST FOR YOUR COOPERATION IN COMPLETING THIS QUESTIONNAIRE

I am AKONGO BRENDA, a student pursuing a degree program in Business Administration from Uganda Christian University. As part of the requirement for the program, I am undertaking a study on the effect of ethical accounting practices on financial reporting quality. In this regard, you have been duly selected as a member of the sample. I wish to appeal to you to contribute to the completion of this study by kindly sparing a few minutes to complete this questionnaire. You are not required to disclose your identity. I also wish to assure you that your answer will be treated in strict confidence and used for the stated academic purpose only.

### SECTION A: DEMOGRAPHY OF RESPONDENTS

Please tick in the boxes provided, the option that reflects your demographic status

#### Q1 – How old are you?

- 1). 20 – 25 years
- 2). 26 – 30 years
- 3). 31 – 35 years
- 4). 36 – 40 years
- 5). 41- 45 years
- 6). 46 – 50 years
- 7). 51 and above years

#### Q2: What is your status as an accountant?

- 1). Practicing Accountants
- 2). Non-Practicing Accountants

**Q3- What is your Professional Qualification?**

- 1). ACA
- 2). CNA
- 3). ACTI
- 4). Others

**Q4- What is your Educational Qualification?**

- 1). PhD
- 2). Master's Degree
- 3). First Degree/HND
- 4). Diploma/NCE
- 5). Others

**Q5- Which of the following falls within your Work Experience?**

- 1). 1-5years
- 2). 6-10years
- 3). 11-15years
- 4). 16 and above

## SECTION B: FINANCIAL REPORTING QUALITY

Below are lists of statement that may affect your assessment on financial reporting qualify in manufacturing companies in Uganda. Kindly indicate the extent you agree or disagree with the statements using the questionnaire guide;

*Questionnaire guide: Strongly Disagree (SD), Disagree (D), Not Sure (NS,), Agree (A), Strongly Agree (SA).*

STATEMENTS	SD	D	NS	A	SA
Relevance					
<b>The annual reports disclose forward looking information</b>					
<b>The annual reports disclose information in term of business opportunities and risk</b>					
<b>The firms in Uganda uses fair value measurement basis</b>					
<b>The annual report provides feedback information on how various market events</b>					
Understandability					
<b>The annual report is well organized</b>					
<b>tes to the balance sheet and the income statement are clear</b>					
<b>Graphs and tables clarify the information presented</b>					
<b>The use of language and technical jargon is easy to follow in the annual reports</b>					
Comparability					
<b>The notes to changes in accounting policies explain the implications of the change</b>					
<b>The notes to revisions in accounting estimates and judgments explain the implications of the revisions</b>					
<b>The results of current accounting period are compared with results in previous accounting period</b>					
<b>Information in the annual reports is comparable to information provided by other organizations</b>					
Faithful representation					
<b>The annual report explains the assumptions and estimate made clearly</b>					
<b>The annual reports explain the choice of accounting principles clearly</b>					
<b>The reports include an unqualified auditor's reports</b>					
<b>The annual reports extensively disclose information on corporate governance issues</b>					

## SECTION C: ETHICAL ACCOUNTING PRACTICES

Below are lists of statements that may affect your assessment on ethical accounting practices. Kindly indicate the extent you agree or disagree with the statements using the questionnaire guide;

**Questionnaire guide:** *Strongly Disagree (SD), Disagree (D), Not Sure (NS), Agree (A), Strongly Agree (SA).*

STATEMENTS	SD	D	NS	A	SA
Integrity					
<b>Adherence to high ethical standards helps boost the integrity of financial statements.</b>					
<b>Accountants engaging in insider dealings tend to compromise the integrity of financial reports.</b>					
<b>Acceptance of gift items by professional accountants affects the integrity of financial report.</b>					
<b>Violation of ethical core values undermines the integrity of financial reports.</b>					
Objectivity					
<b>The objective presentation of financial statement is not affected by ethical values prevalent in an organization.</b>					
<b>Financial statements should be prepared and presented in accordance with ethical guidelines within the organization.</b>					
<b>Ethical standards are duly observed in the presentation of financial statement of Nigerian firms</b>					
<b>Professional accountants are always objective in the preparation of financial statements</b>					
Professional Competence and due care					
<b>Ethics has a significant effect on the faithful disclosure of financial reports.</b>					
<b>Disclosure of items in the financial statement is affected by personal interest of the professional accountant.</b>					
<b>Financial statement disclosure is affected by the professional competence of accountants.</b>					
<b>Quality disclosure of items in the financial statement is a reflection of compliance with ethical standards.</b>					

Confidentiality					
<b>Information acquired as a result of professional and business relationships should not be used for the personal advantage</b>					
<b>Business dealings should be strictly business</b>					
<b>Accountants do uphold to high standards on confidentiality</b>					
<b>Personal information should not be brought in to the business scenario</b>					
Professional Behaviour					
<b>Accountants strictly adhere to the local professional standards and rules</b>					
<b>Accountants strictly adhere to governments rules and regulations guiding the profession</b>					
<b>Accountants religion affect his professional Behaviour</b>					
<b>Accountants display high professional competence in doing the work.</b>					

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