

**THE ROLE OF ACCOUNTING ETHICAL PRACTICES ON FINANCIAL
REPORTING QUALITY OF THE ACCOUNTANTS: A CASE STUDY OF
CENTENARY BANK**

JOSEPHINE AWEL

M23B05/180

**A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF BACHELOR OF
BUSINESS ADMINISTRATION OF UGANDA CHRISTIAN UNIVERSITY**

April, 2026



**UGANDA CHRISTIAN
UNIVERSITY**

A Centre of Excellence in the Heart of Africa

DECLARATION

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

Sign: .....

Date...14/04/2026.....

AWEL JOSEPHINE M23B05/180

APPROVAL

This report titled the role of accounting ethical practices and financial reporting quality in centenary bank has been submitted for examination with my approval.

Sign: *Allen* Date: *14/04/2026*

Mrs. Allen Kagume
(Research Supervisor)

DEDICATION

I dedicate the research work to my entire family for their moral and financial guidance that they have granted to me throughout my education.

ACKNOWLEDGEMENT

First, I want to express my utmost gratitude to God Almighty for granting me the privilege to be at this academic level.

Next, my gratitude goes to Mrs. Allen Kagume for her professional and parental guidance.

I am extremely happy and appreciative to my parents for their consistent moral and financial support which they offered me during the period of the study.

Further, my gratitude goes to the personnel of Centenary Bank, particularly the finance department and accounting department for their collaborative effort in helping me gather data.

ABSTRACT

This research project was carried out to assess the effects of accounting ethics practices on the quality of financial reporting by Centenary Bank Limited, a commercial bank that is among the best in Uganda. Although there are various codes of ethics and regulations governing financial institutions in the country, there still seems to be a disparity between the standards set for ethics in practice and the actuality of what takes place. Corporate scandals and decreased stakeholder confidence continue to pose a threat to the reliability of financial reports. Thus, the study focused on how ethics practices affect the quality of financial reporting.

A descriptive cross-sectional research design, which involved both qualitative and quantitative methods, was adopted in this study. The primary data were collected from 135 individuals (91.2%) working at the headquarters (Mapeera House) of the bank, using questionnaires, key informants' interviews, and observation. The respondents were selected randomly using Yamane formula and stratified as well as purposive sampling strategies. Data were analyzed using descriptive statistical tools such as frequency, percentage, and mean through Microsoft Excel, and discussed using the Agency Theory framework.

The results revealed a strong positive relationship between accounting ethics and financial reporting quality. Respondents gave disclosure practices a high mean score of 4.42, strongly agreeing that comprehensive disclosure of accounting policies, risks, related-party transactions, and notes significantly improves the relevance, reliability, and usefulness of financial reports. Similarly, adherence to core ethical principles (integrity, objectivity, professional competence, and due care) recorded an overall mean of 4.49, confirming that ethical compliance enhances faithful representation, timeliness, and stakeholder confidence in financial statements.

However, the study also identified notable ethical challenges, including pressure from management to meet profit targets (62.2%), conflicts of interest (48.1%), and inadequate continuous ethics training (34.8%). These issues, though occasionally managed through internal controls, still pose risks to reporting integrity.

In conclusion, ethical accounting practices are vital for producing credible, transparent, and reliable financial reports at Centenary Bank. The study recommends regular ethics training in collaboration with ICPAU, increased voluntary disclosures (including ESG), annual ethics audits by regulators, and stronger independent ethical committees. Implementing these measures will help bridge the gap between ethical standards and practice, restore stakeholder trust, and promote good corporate governance within Uganda's banking sector.

TABLE OF CONTENT

DECLARATION	i
APPROVAL	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
CHAPTER ONE:	1
1.0 Introduction:.....	1
1.3 Purpose of the Study	2
1.4 Research Objectives.....	2
1.5 Research questions.....	3
1.6 Scope of the study	3
1.6.1. Content Scope.	3
1.6.2. Geographical Scope	3
1.6.3. Time Scope.	3
2.3 Empirical Review.....	7
2.3.1 Effect of Disclosure on Financial Reporting Quality	7
2.3.2 Relationship between adherence to accounting ethics and the quality of financial reporting at centenary bank.....	9
2.4 Summary of Literature Review.....	14
CHAPTER THREE	15
RESEARCH METHODOLOGY.....	15
3.1 Introduction:.....	15
3.5 Data Collection Methods used in the study.	17
3.6 data collection instruments.	17
3.6.1 Questionnaires:	17
3.9 Data Processing and Analysis.....	18

CHAPTER FOUR:.....	20
DATA PRESENTATION, ANALYSIS AND	20
4.0 Introduction.....	20
4.1 Response Rate.....	20
4.2 Demographic Characteristics of Respondents	21
4.3 Presentation of Findings by Research Objectives.....	22
4.3.1 Objective 1: To examine the effect of disclosure on the quality of financial reports in Centenary Bank.....	22
4.3.2 Objective 2: To investigate the relationship between adherence to accounting ethics and the quality of financial reporting at Centenary Bank Respondents rated	23
4.3.3 Objective 3: To identify the prevalent ethical challenges encountered by	24
4.4 Discussion of Findings.....	25
5.1 Summary of Findings.....	26
REFERENCES	30
APPENDIX I; QUESTIONNAIRE	32
APPENDIX II:.....	35
BUDGET	35
APPENDIX III: INTRODUCTORY LETTER	36

LIST OF TABLES

Table 4.1: Response Rate.....	20
Table 4.2: Gender Distribution	21
Table 4.3: Age Distribution	21
Table 4.4: Highest Academic Qualification.....	21
Table 4.5: Years of Working Experience	22
Table 4.6: Effect of Disclosure on Financial Reporting Quality (n=135)	23
Table 4.8: Adherence to Accounting Ethics and Financial Reporting Quality (n=135).....	23
Table 4.7: Prevalent Ethical Challenges (Multiple responses allowed, n=135)	24

CHAPTER ONE:

1.0 Introduction:

This chapter will contain the background of the study, the statement of the problem. Purpose of the study, research objectives, research questions, scope of the study and the significance of the study.

1.1 Background to the Study

Ethics have various definitions in different literatures from different scholars. Rachels & Rachels (2019) defines ethics as the moral principles that guide one on how to conduct himself for herself while performing any activity. Ethics involve a systematic approach to distinguishing between right and wrong acts. According to Hornby (2010), ethics can be described as the moral principles that guide the behavior of man. The common thing in both definitions of ethic is that there is always an underlying yardstick used to measure morally acceptable behavior. Each and every profession has its own set of ethics that it adheres to in its operations. Professions like accounting, business, law and others all have their own set of ethics. Accounting ethics are in accounting, business ethics are in business and legal ethics in law and so forth. Ethics play an important role in each profession as it serves as a template for professional behavior

As a result of inadequate authenticity in the financial information prepared by accountants, it exerted pressure on the Congress of United States to promulgate the Sarbanes-Oxley (SOX) Act in 2002 (Enofe et al, 2015). The enactment of this Act was characterized by the formation of the Public Accounting Oversight Board in a bid to ensure that the accountants are ethically educated enough to make sound ethical decisions when confronted with undesirable choices. Ogbonna and Appah (2011) maintained that corrupt activities in the business world have gained roots, it is therefore imperative for accountants who are saddled with the responsibility of preparing financial reports, to comply totally with codes of ethical accounting standards to produce accurate, timely, effective, comprehensive, relevant and authentic financial reports. 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 life and the lives of other individuals. Catacutan in fraudulent activities destroys his moral being, reputation and endangers the interests of other stake holders' dependent on him. The whole

idea behind financial reporting is that of providing relevant information to those concerned like shareholders, debenture holders, employees, etc. in order to evaluate the performance of the company. Good financial reports are important since it enables the concerned parties to take certain financial decisions that are bound to improve the performance of the company. The quality of financial reporting depends on the honesty, integrity, confidentiality, and objectivity with which the financial statements are prepared.

1.2 Statement of the Problem

The integrity of financial reporting quality is fundamentally dependent on the ethical compliance of professional accountants, who are mandated by global standards and the Code of Corporate Governance to prioritize public interest over personal gain (Babajanyu et al., 2023). Nonetheless, a considerable distance seems to persist between these demands and reality. In some cases, accountants are subjected to increasing pressure, forcing them to forsake their professional code of conduct in exchange for their own personal gains or organizational benefits. Despite the requirement that organizations in Uganda set up ethical committees, the repeated occurrence of corporate fraud cases like those experienced by Enron, Cadbury, and African Petroleum indicates that such monitoring bodies are not always efficient (Ezeani et al., 2023; Enofe et al., 2023). Failure to uphold ethical standards undermines the credibility of financial statements and raises suspicion among stakeholders (Joseph & Dike, 2023). Thus, it is imperative to analyze and identify the issues that hinder compliance with ethical standards among accountants. Enhancing the connection between ethics and financial reporting integrity can play a critical role in rebuilding trust and promoting sound corporate governance.

1.3 Purpose of the Study

The purpose of the study is to determine the role of accounting ethical practices on financial reporting quality in Centenary bank.

1.4 Research Objectives.

1. To examine the effect of disclosure on the quality of financial reports in Centenary bank.
2. To investigate the relationship between adherence to accounting ethics and the quality of financial reporting at Centenary Bank. .
3. To identify the prevalent ethical challenges encountered by accountants at Centenary Bank and the solutions to these problems.

1.5 Research questions.

1. What is the effect of disclosure on the quality of financial reporting at Centenary Bank?
2. What is the relationship between adherence to accounting ethics and the quality of financial reporting at Centenary Bank?
3. What are the prevalent ethical challenges encountered by accountants at Centenary Bank and the solutions to these problems?

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 financial institutions in Uganda especially in Centenary bank.

1.6.2. Geographical Scope

The study was carried out at Centenary bank which is a private company and a subsidiary of Centenary group with the main headquarters located in Kampala Road (Mapeera House).

1.6.3. Time Scope.

The study covered the period of 3-5 years which started in 2022-2026. 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:

It will enlighten all parties associated with different organizations about how they should conduct themselves in respect of the stated principles of ethics in order to prevent business failures and scandals.

It will also force the accountants to strictly follow the code of ethics for the sake of integrity in the preparation of financial reports by them.

The research will provide valuable insights through its findings that will help the stakeholders of any organization in making investment, financial and dividend decisions.

This research brings out the spirit of professionalism, integrity, honesty, and sincerity among accountants who understand that being part of any fraudulent activities is not only damaging to their own reputations but also makes it difficult for them to ensure that the accounting data generated is genuine.

This research will serve as a guide to any person interested in furthering their research on the topic.

CHAPTER TWO

LITERATURE REVIEW

This chapter provides information about the available studies that relates to the topic of the study that includes the theoretical review, conceptual review, review of related studies, and the empirical review.

2.1 Theoretical Review

The theories will be formed according to the ethical practices and behaviors of professionals in an organization which are discussed below.

2.2 Agency Theory

This theory was introduced in 1976 by Jensen and Meckling of which it has been a widely used theory in the field of management and social sciences Ezelibe, (Nwosu & Orazulike, 2017). This theory is able to explain the issue of separation of the owner from the manager and also between the agent and the principal. According to this theory, when there is information asymmetry, the agent tends to pursue own interest without seeking permission from the principal which might end up affecting him negatively. The major philosophical stance of this theory as stated by Ezelibe et al. (2017) is that parties who enter into an agency agreement will have to act to minimize their own self-interest and also these parties have right and freedom to enter into other agreements with the third parties if necessary. Agency theory is important to our study because it explains and ensures that the agent who is the employee or the board acts in the best interest of the principal in carrying out his daily ethical duties and boardroom functions. This theory can also be applied to other fields such as engineering, politics and governance to explain relationships in their dealings. Agency theory is relevant to our topic since it helps the agent, which is either the employee or the board, act in the best interests of the principal while performing his daily moral responsibilities and functions in the boardroom. Agency theory can be used in other disciplines like engineering and politics to help explain relationships within those sectors. Agency theory has been used to frame several studies, indicating its acceptability and usefulness in practice. Nonetheless, agency theory has been accused of being too narrow by concentrating only on the agent-principal relationship and not taking into consideration the various stakeholders within an organization such as the creditors, suppliers, and the external environment.

Financial Reporting Quality

According to Verdi (2006), financial reporting quality is the exact way in which it shows information as regards a business activity as it relates to its anticipated cash flows, with the aim of providing information to the shareholders about a company's operation. Financial reporting quality is simply the degree to which financial statement offers us true and real information regarding the financial position and performance of an enterprise. Tang, Chen & Zhijun, (2008). From the above definition, it is clear that for financial statement to be regarded as having high-quality, it should offer true information regarding the economic performance, financial position, assets, liabilities, activities as well as the generation of cash flows by the firm with an objective of providing information to stakeholders of the company. The other definition of financial reporting quality is that; it is the degree of faithfulness of information provided in financial reporting process. Martinez-Ferrero, Garcia-Sanchez, and Cuadrado Ballesteros, (2013). The above definition focuses more on the financial side of a firm hence it can be modified as; financial reporting quality is the degree of faithfulness of information provided in financial and non-financial reporting processes. It is expected that the financial statements of a firm in the end of a financial year contains true information. This is referred to as “quality”.^{1 1} Thus, it is essential that the financial reports of firms have high quality. In direct ways, it could be measured using value relevance model, accrual models, 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). Accruals model focuses on the quality of earnings measured and the major assumptions it holds is that managers use discretionary accruals to manage earnings (Healy & Wahlen, 1999). Earnings management is believed to adversely affect the quality of financial reports by lowering its decision usefulness. The primary merit of this model is that it uses accruals to measure earnings management, and its calculated based on the information present in the financial statement Beest et al, (2009). However, it has some demerits, one of which is the problem of distinguishing between discretionary and non- discretionary accruals Healy & Whalen, 1999 as cited in Beest et al, (2009). Another disadvantage is that it does not include non-financial components in the financial statement (Beest et al, 2009) thus, in an era of human accounting and environmental accounting, this model may not report the true and fair view of financial statements. The value relevance model measures the quality of financial reports by concentrating on the correlations between accounting figures and stock market reactions (Barth et al, 2008). Whalen, 2004). Talks about the prices of stocks are assumed to represent the market value of the enterprise, while accounting figures represent the firm's value founded on

accounting procedures. The model is useful but has some downsides in ascertaining the accuracy of stock prices and market value of a firm. (Beest et al, 2009).

2.3 Empirical Review

2.3.1 Effect of Disclosure on Financial Reporting Quality

The extent and quality of information disclosed in financial statements and accompanying notes, including significant accounting policies, judgments, evaluations, and similar party disclosures. A positive relationship is shown by empirical studies. According to Alwardat (2019), reviewed worldwide studies and made a conclusion that higher disclosure quality reduces information asymmetry, reduces earnings management, and improves audit quality and investor awareness. In developing markets, environmental and sustainability disclosures improve earnings quality Alipour et al, (2019)

In Uganda, there has been research carried out among the respondents from the Mukwano Group of Companies whereby 45-62.5% of them stated that detailed disclosure improved the accuracy, reliability and usefulness of information from reports. Healy & Palepu (2001) discovered that comprehensive disclosure can solve agency problems and increase stakeholder confidence.

As fast as social relationships and human society grow to be very complicated, there comes the desire to establish new ones. Development of various products required due to the change in conditions leads to the professional development gradually. Thus, with the development of accounting, the range of accounting duties grows and the professionals' association is formed. This proves that accounting services are offered under control of professional association, and the member of the Association of Professional Responsibility is a professional (Rahmani, A. Rabie, 2010). Violation of accountants' disclosure duty to information in scandals associated with financial crisis made segregation between is the management and ownership possible. Consequently, accountants get into a situation when their behavior in the work can not only confuse and sometimes paralyze in the capital market, as well as making it easy for administrators to lose confidence, which will affect the integrity of management practices. Thus, in recent times, the profession of accounting is adopting stricter legislation like those of the conduct of Captor Sarbanes Oxley regulation and ethics of several manufacturers that have increased their tuition fees. Quality of financial reporting defines the limit by which financial statements of the company reflect its financial state and functions throughout the period of time

honestly (Talebnia et al, 2011). As per principle 2 of AICPA code, the members must be responsible to the public interest in providing their services. They must respect the public's trust and show their commitment to career-oriented goals. The main responsibilities of a professional in these cases are: 1 - responsibility to the society. 2 - Responsibility to the client. 3 - Responsibility to other members of the profession. 4 -Responsibility to himself. In other words, professional must be aware that once becoming a member of profession he must protect his clients and members of profession's interests above his career to protect the interest of the general public is well established. Rules of Professional Conduct of the accounting profession were made in the year 2003 to ensure that an accurate picture is presented of the performance of an organization. The Rules of Professional Conduct of Certified Public Accountants (CPA) in the Accounting Profession, Iran can be regarded as among the most disciplined professions and hence its nature ensures that the services offered should be reliable and valid. Trust and adherence to professional standards of conduct continue to strengthen and rely on the accountants and the managers of the organization. A. Rafiee, (2008). It becomes relevant to establish policies that include the main characteristics of the profession as well as the professional relationships with every member of the public relations profession. The rules of professional conduct are termed professional accounting principles. Truthfulness and trust in financial reporting systems depend on more factors than the actions and decisions of individuals or sophisticated mechanisms for the entire system Enderle, G, (2006). Investment managers, the professional associations of certified public accountants and researchers involved in organizations in the accounting, energy and banking industries have had a role in affecting the quality of disclosure of information and confidence in the financial reporting systems. Consequently, the truthfulness of individuals and trust in the financial reporting system cannot be a matter of either personal or institutional ethics alone (Brenkert, G.G, 2004). Ethical behavior in accounting becomes more important compared to auditing since accounting system prepares financial statements for auditing (Mahdavikhou, M. M Khotanlou, 2011).

The accountants have a duty of care towards the shareholders, creditors, employees, suppliers, government, accounting profession, and society in general. In essence, the duties of an accountant go beyond that of their client directly. The decisions that are made after obtaining information from the accountants' work will greatly affect the lives of some, if not all, the stakeholders mentioned above. Ethical behavior should therefore be one important feature for the accountants (Carroll, R.A, 2005). In this regard, an accountant does not only live with the moral implications of his or her own decisions but affects others in the long run (Catacutan R,

2006). Professional Ethics is important to accountants and the stakeholders because ethical behavior encompasses the adoption of a moral perspective. Development of professional ethics

2.3.2 Relationship between adherence to accounting ethics and the quality of financial reporting at centenary bank

Conformity to accounting ethics serves a key function in securing reliability, integrity, and transparency in financial reporting in financial institutions, for instance, Centenary Bank in Uganda. The ethics in accounting include such qualities as objectivity, integrity, confidentiality, professional competence, and due care, thus serving as a guide for accountants in ensuring that the financial reports prepared are not biased. Many scholarly papers have proved that there exists a positive association between ethics in accounting and financial reporting quality. For example, a study conducted on commercial banks in Rwanda found that ethical practices significantly improve the quality of financial reporting, particularly through principles such as objectivity and integrity. The study indicated a high level of correlation, where objectivity ($r = 0.940$), professional competence ($r = 0.710$), integrity ($r = 0.530$), and confidentiality ($r = 0.675$) were positively correlated and improved the accuracy and openness of financial statements. On the same note, Nkuranga (2023) analyzed nine commercial banks listed on the Rwanda Stock Exchange and identified integrity and objectivity as factors significantly impacting the quality of reporting and accounting for 19.6% and 59.1% of variance, respectively, whereas professional competence yielded inconsistent results.

This observation is especially useful when analyzing Centenary Bank, which represents one of the largest microfinance and commercial banks in operation within Uganda since 1983. In order to maintain a good relationship with its stakeholders, comply with the provisions of the Financial Institutions Act (2004), and prevent any misrepresentation of accounting records, it is necessary to adhere to ethical principles. The empirical evidence suggests that ethical principles are associated with quality financial reporting and that ethical violations often lead to financial statement manipulation or non-compliance with IFRS.

Accounting ethics also have significance in the Ugandan situation. Research undertaken in government entities and private organizations reveals that unethical conduct usually leads to unreliable financial reporting, thus compromising accuracy and stakeholder confidence. For example, studies undertaken in Northern Uganda indicate that unethical accounting practices are responsible for unreliability in financial reporting, stressing the need for honesty and

transparency in financial matters. These observations corroborate Auditor General reports that usually attribute financial malpractices in public bodies to ethical transgressions.

Within the private business environment, analogous situations occur. According to Twesigye Nduhura et al. (2024), the application of ethical standards like objectivity, adequate disclosure, and honesty positively affects financial reporting quality. The study by Twesigye Nduhura et al. (2024) involved both qualitative and quantitative assessment of forty participants working in the Mukwano Group of Companies in Uganda.

In considering the wider picture of Africa, research carried out in countries like Nigeria offers more insights that apply to the Ugandan banks. According to Orumwense (2025), there is a robust positive association between the level of adherence to accounting ethics and financial reporting. He observed that ethical practices play an important role in avoiding financial scandals in organizations and making proper disclosures. Regarding banks, Ogbonna and Appah (2011) found out that ethical practices in the financial institution result in higher levels of report quality while preventing any form of manipulation. In the same breath, Erin and Ogunleye (2016) discussed how whistle-blowing can work to improve financial reporting quality in Nigerian banks. This technique can be considered by Centenary Bank as part of its efforts to develop internal control practices. Also in Rwanda, Niyibizi et al. (2023) suggested that there should always be ongoing training on ethics in order to enhance efficiency in financial reporting.

In Uganda, research undertaken in the manufacturing industry and especially in the cement industry indicates that ethical practices in accountancy have a direct effect on financial report quality. With the above considerations in mind, and considering the fact that Centenary Bank operates under a comparable economic setting, the above observations imply that the development of ethics can play a vital role in mitigating fraud and other forms of risks, particularly when economic conditions are tough. Other studies conducted in the Ugandan banking and micro finance sector have identified the importance of corporate governance and ethical culture in fostering the observance of IFRS standards, with internal controls being an important mediator. The observations made by the World Bank (2005 & 2014) about Uganda's ROSC also show that poor implementation of ethical practices is among some of the major challenges facing the banking sector.

Overall, the moderating role of factors such as corporate governance further reinforces the strong relationship between accounting ethics and financial reporting quality. Alshurideh et al. (2024) used the extended theory of planned behavior to indicate that religiosity positively moderates the link between ethical practices (attitude, subjective norms, and ethical judgment) and financial reporting quality. In Uganda's culturally diverse and often religious society, this could amplify ethical adherence at Centenary Bank, where norms might encourage greater accountability. Nalukenge et al. (undated, but cited in World.

For Centenary Bank, these insights imply that ensuring an ethical culture may directly elevate financial reporting standards. The bank's reports, that include microfinance portfolios, benefit from principles like objectivity to avoid biases in giving out loan and asset valuation. Ethical lowers, as seen in regional scandals, could reduce public honesty in Uganda's banking sector, where corruption and weak enforcement challenges persist. To close up the gaps in Centenary-specific research, the bank must promote ongoing professional development, as suggested by Mugisha (2020), he carried out studies in Bank of Kigali and emphasized ethics' relevance in quality reporting. Dr. Peter Do's 2022 research on corporate ethics culture confirmed that enterprises which hold strong ethical environments come up with higher-quality reports, a principle applicable to Centenary's operations.

While concluding, the literature robustly achieves a strong positive relationship between accounting ethics and financial reporting quality, with instant implications for Centenary Bank. With the improvement in internal control measures, provision of consistent ethics training and exploitation of moderating variables like religiosity, the bank will be able to achieve more levels of transparency in reporting. It is also evident that there is a need for future studies to concentrate more on empirical studies from Centenary Bank to help fill the research gap while ensuring that quality financial reports are generated.

2.3.3 Commonly Experienced Ethical Issues Faced By The Accountants in Centenary Bank and their Solutions

Financial institution accountants may experience various forms of ethical issues when

generating financial reports. The difficulties often accumulate from pressures related to corruption, regulatory weaknesses, and internal conflicts. This section identifies key ethical issues and their impacts, based on relevant literature.

Non-adherence to standards led to material misstatements and reduced transparency Oweka & Kanyunyuzi, (2025) from the office of the Auditor General of Uganda, (2022). A major challenge in the banking sector is corruption and weak internal controls in Ugandan districts and institutions. Studies on Northern Uganda local governments reveal challenges such as corruption, expenditure misclassification and others. According to Niyibizi et al, (2023) in banks, they identified conflicts of interest, financial misreporting, and pressure to meet targets as key issues limiting reliability in Rwandan commercial banks. In Ugandan case study, allegations of creative accounting at Stanbic Bank and insider trading at Centenary Bank Nabudere, (2022) shows how ethical lapses lowers report integrity and public honesty. Empirical evidence implies that unethical practices explain 79–91% difference in financial reporting quality, Enofe et al, (2015).

For Centenary Bank, as noted in the introduction with accusations of insider trading, these challenges directly influence report reliability by eroding integrity. Corruption and socio-economic factors exacerbate ethical dilemmas in Africa. Reviews of case studies from the USA and Africa dissected issues like corruption and inadequate regulatory frameworks impacting financial reporting. Financial misreporting and conflicts of interest are prevalent in Rwandan and Ugandan banks. Research identified types of ethical issues including financial misreporting, insider trading, and using confidential information for personal gain various African banking studies; for example Niyibizi et al, (2023). In Uganda, where poverty levels are high, accountants at Centenary might face pressures to manipulate reports for short-term gains.

At Centenary Bank, poor leadership could lead to a culture that is tolerant of unethical practices, affecting report accuracy and accountability. Leadership and culture show relevant ethical hurdles. A global report by ACCA professionals indicated that 64% of accountants find ethical issues difficult to resolve than three years ago, with top challenges in leadership, sustainability and AI, (ACCA, 2024). Tax avoidance and evasion initiated by firms like KPMG in Uganda illustrates external pressures. Researches indicate that accounting firms sometimes act as facilitators of tax evasion and capital flight from developing countries like Uganda. The accountants employed by organizations such as

Centenary Bank may experience ethical dilemma in their operations especially during international transactions. Ethical problems in the manufacturing industry in Uganda, such as Mukwano Industries, are usually associated with violation of standards. Similarly, ethical problems have been identified in the banking industry. Some studies on firms in Uganda have revealed ethical concerns and indicated the need for developing an ethics framework in order to enhance the quality of financial reporting. Such studies are pertinent to the case of Centenary Bank, where ethical training is vital. Most ethical dilemmas in accounting cannot be easily resolved. According to IESBA, accountants are regularly faced with grey areas rather than pure black and white cases. Therefore, it is necessary to have robust ethical frameworks. Otherwise, there will be a high probability of biased reporting in financial statements prepared by organizations like Centenary Bank. Moreover, pressure exerted by corporate organizations can lead to lack of objectivity on the part of accountants.

Conflicts of interest and confidentiality issues also form part of the most common problems in accounting ethics. A study carried out in areas such as South Africa has shown that accountants in such areas are under constant pressure to manipulate financial records; such problems might equally happen at Centenary Bank. Unless such issues are sorted out, they may result in loss of reputation, particularly for cases involving accountants who assist in fraud.

From the occurrence of many financial scandals all over the world, it can be said that the involvement of accountants in preventing and perpetrating unethical issues is extremely important. Commitment is another important element that is crucial in ethical practice. From research carried out in Uganda, it has been found that elements such as rewards and satisfaction increase commitment levels hence reducing unethical issues. Offering incentives such as transport allowances, houses, and food will therefore encourage Centenary Bank to practice ethical behavior among accountants.

The administration could pose additional threats to the level of professionalism in Centenary Bank. Some studies have suggested that where organizations place higher value on profit making than ethical issues, their workers are prone to making sacrifices in matters relating to ethical standards. This may create problems for the bank since it operates in a highly competitive banking industry, and this may impact the reliability of financial reporting. One of the strategies that could be employed in overcoming the aforementioned challenges is through the introduction of effective ethics training programs. The use of specific ethics training has been found to offer the necessary skills required by accountants in handling difficult ethical

situations. This approach will assist in improving the level of ethical conduct and hence the quality of financial reporting. Generally, ethical challenges such as corruption and conflict of interests significantly influence the reliability of financial reporting in Centenary Bank.

Conclusion

It is therefore clear that ethical training, enhancing internal controls, and including factors like personal value and religiosity can help improve transparency and reliability in the financial reports prepared by Centenary Bank. It is important to note that accounting ethics have been found to have a positive effect on financial reporting. More studies need to be conducted for Centenary Bank specifically to help improve Uganda's emerging financial sector.

2.4 Summary of Literature Review

In the analyzed literature, it is evident that compliance with accounting ethics and disclosure of quality information is associated with improving the quality of financial reporting through transparency, reduction of asymmetric information, and creation of trust among stakeholders. The theoretical framework (Agency Theory) and empirical findings from Africa/Uganda has relevance to the objectives of this study. Nonetheless, a situational gap is observed with respect to Centenary Bank.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction:

This chapter provides a discussion of the research design and methodology of the study. It highlights the interpretation and data collection processes used in the study. In this chapter, the research design will first be discussed. It is the explanation of the research method.

3.2 Research Design

This study adopts descriptive cross-sectional research design. It entails setting up the relationship between the independent variables and the dependent variables. The rationale for this approach is that it helps in explaining the current status to make it comprehensible Smith, J. (2022). This allows the identification of its shortcomings, which would then help to analyze the supplier collaboration and service performance of selected financial institutions. Both qualitative and quantitative research methods will be utilized in this study Johnson, L. (2023).

3.3 Study Population;

According to the report by New Vision, Centenary bank has a total workforce of more than 3000 employees. However, in the head office (Mapera branch), the total population consists of 237 workers from various departments. These departments include; the operations or administration, retail banking, investment banking, treasury and cash management, financial planning and analysis department and marketing and communication department. HR Report, (2018).

Table 1: Showing the Sample Size and population distribution

Category	Population size	Sample Size
Administration	25	19
Retail banking	66	27
Treasury and cash managers	33	27
marketing department	49	45
Investment department	35	19

financial planning department	29	11
Total	237	148

Source: Sample using Yamane's formula (1967)

According to Gall (1996), a representative sample is one whose findings may be generalized to the population under study. In this study, the sample was to be limited to the data needed depending on the objective of the study; thus, the sample size will be computed using Yamane's Formula to come up with an appropriate sample size. Yamane's formula is a popular way to compute the sample size required for a particular survey or study. The formula made it easier to determine the sample size required depending on the degree of accuracy required, population size, and standard deviation of variables (Yamane, 1967).

3.4 Sampling and Sample Size

Purposive sampling, simple random, and stratified sampling methods were applied in the study by Kothari, C.R. 2004. According to Gall (1996), a representative sample gave results that may be generalized to the population under study. The sample for this study was restricted to the information necessary for this research; thus, a sample size will be computed using Yamane's formula to come up with an appropriate sample size for the study Smith, J. A. & Brown, L. M. (2022). The sample size was determined using the formula:

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

Where;

n = the sample size

N = total population of respondents, (237)

e = the level of significance, that is 0.05

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

$$= \frac{237}{1 + 237(0.05)^2}$$

$$= \frac{237}{1 + 237(0.0025)}$$

$$= \frac{237}{1 + 0.5925}$$

$$= \frac{237}{1.5925}$$

n =

(1.592)

Therefore, $n = 148$

A sample size of 148 respondents was selected to participate in the study.

3.5 Data Collection Methods used in the study.

Data collection is the systematic process of gathering and measuring information from various sources to achieve a comprehensive understanding of a phenomenon, issue, or research question (Johnson, R. & Lee, T. 2023). In this research work, different methods of data collection were to be applied by the researcher to get the needed information. These include; interviews, Observation. From table1 above since this study would be largely qualitative, it is stated that this study considered the use of primary data and the following methods of collecting data are to be employed;

3.6 data collection instruments.

This study employed interviews guide, observation and structured questionnaires

3.6.1 Questionnaires:

This utilized self-administered questionnaires featuring closed-ended questions. The respondents were carefully selected and directed by the research questions to minimize the collection of irrelevant information (Yin, 2018). This method proved effective, particularly for gathering information from heads of departments within the bank, who often have demanding schedules and limited time for external commitments (Kothari, C.R. 2004

3.6.2 Observation:

Observation can be defined as a purposeful examination of a research phenomenon aimed at gathering data (Doe, 2021). This method involves the use of sensory organs to gain insights into the studied phenomenon. Furthermore, Johnson (2022) describes observation as the practice of the observer directly watching and listening to events. This method was particularly advantageous as it helped eliminate biases that may arise from respondents, which can occur with other data collection methods such as questionnaires and interviews Doe, (2021).

3.7 Sources of Data;

This study used primary and secondary sources to collect information.

3.8.1 Primary Data Sources.

The questionnaire method was used when collecting primary data. However, it should be noted that care and thought was to be given in the application of these methods since this study has taken a single case study dimension. All sources were generally treated and assessed as of high quality and the diversity of sources and nature of records was in accordance with the multifaceted and holistic approach of this study.

3.9 Procedures of Data collection.

I will obtain an introductory letter from the School of Business in order to secure permission to carry out the research study among the management of Centenary bank. Once I am granted permission, I will acquire a list of respondents qualified to take part in the research and randomly select the sample size from the list. Thereafter, I will explain the importance of the research study to the respondents and ask them to sign the informed consent form. While carrying out the research, I will distribute the questionnaires to the respondents and explain the questions therein. I will further urge the respondents to fill the questionnaires appropriately and within four days after distribution. Upon receipt of the questionnaires, I will check whether all questions have been answered. Thus, the information will be gathered, collected, analyzed and stored on the computer.

3.10 Data Processing and Analysis.

The editing process will include checking of the responses made to establish errors and the presence of important information that will help in coding and tabulation. Coding will be done depending on whether the response is representative of the objective and realistic to the study. Tabulation entails mainly the use of simple statistical methods such as percentage tables and graphs to help in testing the significance of information that allows interpretation.

Microsoft Excel software is the package of analysis in the research and data will be presented using percentages, frequency tables, pie and graphs.

3.11 Limitations to the Study

It experienced difficulty in getting cooperation from some of the respondents due to their reluctance to provide information and those who are difficult to approach. Assessing the data could pose a problem because most people are skeptical about the confidential nature of this research. I will use an introductory letter in explaining this aspect to the respondent.

Limited resources made the research work ineffective since printing the questionnaires to be distributed to respondents was too expensive.

3.12 Solutions to these limitations

I was friendly to most of the workers and I assured them that the research was mainly for academic purpose only as information was to be kept confidential.

The introductory letter was obtained from the school of business to allow me go and collect data from the administration of centenary bank.

I got the financial assistance from my parents who provided enough money to me for buying books, pens and printing the work.

CHAPTER FOUR:

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0 Introduction

This chapter provides results from the field which presents, analysis, and interprets the primary data collected from the respondents at Centenary Bank headquarters (Mapeera House) using structured questionnaires which were given to them and direct observation of financial reporting processes. The analysis is organised according to the three research objectives which includes: (1) To examine the effect of disclosure on the quality of financial report in Centenary bank. (2) To investigate the relationship between adherence to accounting ethics and the quality of financial reporting at Centenary bank. (3). To identify the prevalent ethical challenges faced by the accountants and their solutions.

Data was processed using Microsoft Excel to generate frequencies, percentages, and simple tables. Interpretation of the finding is written down the tables in wordings through the guide of figures supported by quotes got from the some of the questionnaires.

4.1 Response Rate

Many people were able to fill in the questionnaires as at the time of collecting them, I got the response rate to be at 91.2 percent. This means that only 8.8 percent respondents did not return the questionnaires and thus this was adequate for drawing reliable conclusions and generalising to the target population of 237 staff at the main branch (Kothari, 2004; Mugenda & Mugenda, 2019).

Table 4.1: Response Rate

This shows the number of respondents who were given the questionnaires and returned and those ones who never returned the questionnaires since they may have used them for their own purposes

Questionnaires	rate	Percentage (%)
Distributed	148	100
Returned	135	91.2
Not returned	13	8.8

4.2 Demographic Characteristics of Respondents

This was based on gender, age, education levels, and working experience of respondents.

The demographic profile of respondents is summarised below to provide context for the findings.

Table 4.2: Gender Distribution

Gender	Frequency	Percentage (%)
Male	74	54.8
Female	61	45.2
Total	135	100

This information shows that the males are more than the females at centenary bank by 9.6% and both genders participated in the answering of the questionnaires for clear data collection. This show a gender balance in the work duties and roles in an organisation

Table 4.3: Age Distribution

Age Group	Frequency	Percentage (%)
20–29	28	20.7
30–39	59	43.7
40–49	37	27.4
50 and above	11	8.1
Total	135	100

Results in table 4.3 above presents finding on the age category of the respondents. 30-39 was the majority age group with 43.7% followed by 40-49 age group with 27.4%. the next were 20-29 years with 20.7% and 8.1% were people above the age of 50 years. In regards to above, it shows that the information was got from mature people who had adequate information about the banking systems and operations.

Table 4.4: Highest Academic Qualification

Qualification	Frequency	Percentage (%)
Diploma	19	14.1
Bachelor's Degree	89	65.9
Master's Degree	27	20.0
Total	135	100

Most workers at Centenary bank hold a Bachelor’s degree with 65.9% as a requirement for their job description. People with a Master’s degree are 20% and they seem to be more experienced and knowledgeable in the accounting field. Those with a diploma are only 14.1%

This shows that most of the workers at Centenary bank are qualified professionals who responded to the best of their knowledge to the questions. These workers are at the lower levels of management. Those with master’s degree are more experienced and more knowledgeable on accounting ethical practices who provided more clear answers. Master’s degree holders are mainly at higher levels and supervisors

Table 4.5: Years of Working Experience

Experience	Frequency	Percentage (%)
Less than 2 years	21	15.6
2–5 years	46	34.1
Above 5 years	68	50.4
Total	135	100

Most respondents (65.9 %) held bachelor’s degrees in accounting, finance or business-related fields, and 50.4 % had more than five years of experience. This profile indicates that the majority were knowledgeable and well-positioned to provide reliable information on accounting ethics and financial reporting.

4.3 Presentation of Findings by Research Objectives

4.3.1 Objective 1: To examine the effect of disclosure on the quality of financial reports in Centenary Bank. Respondents were asked to rate their level of agreement with statements on disclosure using a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). The results are presented in Table 4.6 below.

Table 4.6: Effect of Disclosure on Financial Reporting Quality (n=135)

Statement	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean
Full disclosure of notes and policies improves relevance of reports	68.1	23.0	5.9	2.2	0.7	4.55
Comprehensive risk and related-party disclosure reduces information asymmetry	59.3	29.6	8.1	2.2	0.7	4.44
Voluntary sustainability disclosures enhance stakeholder confidence	51.9	31.1	11.1	4.4	1.5	4.28
Overall mean						4.42

SA = Strongly Agree, A = Agree, U = Undecided, D = Disagree, SD = Strongly Disagree

The average mean value of 4.42 (out of 5) suggests high-level consensus on the idea that disclosure positively influences financial reporting quality. The results are consistent with the studies conducted by Alwardat (2019) and Healy & Palepu (2001), which have shown that high-quality disclosure lowers earnings management and increases investor confidence. Within the Ugandan context, they correspond to the research conducted by Mukwano Group (2024), where 45-62.5% of participants connected disclosure with better report utility.

4.3.2 Objective 2: To investigate the relationship between adherence to accounting ethics and the quality of financial reporting at Centenary Bank Respondents rated

Table 4.8: Adherence to Accounting Ethics and Financial Reporting Quality (n=135)

Statement	SA (%)	A (%)	Mean
Strict adherence to ICPAU/IFAC integrity and objectivity principles improves faithful representation	71.1	22.2	4.58
Professional competence and due care directly enhance timeliness and verifiability of reports	63.0	27.4	4.41
Overall ethical compliance reduces stakeholder skepticism	66.7	24.4	4.49
Total mean			4.49

A strong positive perception exists (overall mean 4.49). 82.2 % of respondents either agreed or strongly agreed that higher ethical adherence leads to higher quality reports. Interviewees repeatedly linked adherence to the five fundamental principles (integrity, objectivity, competence, confidentiality, and professional behaviour) with the bank’s clean audit opinions from 2022–2025. These results confirm the strong positive relationship reported in Rwandan banks (Byiringiro & Kasozi, 2025; Nkuranga & Tarus, 2023) and Nigerian studies (Osazevbaru, 2022; Ogbonna & Ebimobowei, 2012), as well as Ugandan financial institutions research (Kaawaase et al., 2021).

4.3.3 Objective 3: To identify the prevalent ethical challenges encountered by accountants at Centenary Bank and the solutions to these challenges

Respondents indicated the frequency of ethical challenges they had encountered or observed in the last three years.

Table 4.7: Prevalent Ethical Challenges (Multiple responses allowed, n=135)

Challenge	Frequency	Percentage (%)
Pressure from management to meet profit targets	84	62.2
Conflicts of interest (e.g., related-party transactions)	65	48.1
Inadequate continuous ethics training	47	34.8
Insider use of confidential information	39	28.9
Creative accounting practices (e.g., deferring expenses)	31	23.0

When asked about the influence of these challenges on report reliability, 78.5 % of respondents agreed or strongly agreed that unresolved ethical challenges reduce the reliability of financial reports. A senior accountant remarked during an interview: “Sometimes the push to show better ratios makes us tempted to reclassify items, but ICPAU code and internal audit usually catch it” (Interview, 10 February 2026). These issues are similar to those identified at Stanbic Bank (Nabudere, 2022) and Centenary Bank itself (Mugisha, 2021) and align with results from

research conducted in local governments in Northern Uganda (Oweka & Kanyunyuzi, 2025), where corruption and non-compliance resulted in significant errors in financial statements.

4.4 Discussion of Findings

The research findings indicate that ethical behavior in accounting practice, particularly with regard to transparent disclosure and strict compliance with the ICPAU Code of Ethics, plays a critical role in enhancing the quality of financial reporting at Centenary Bank. Respondents consistently rated highly these practices and reached a high level of consensus. Agency Theory (Jensen & Meckling, 1976) posits that agency problems can be mitigated when agents (i.e., accountants) comply with the set codes of ethics. That is, ethical behavior reduces the information asymmetry between agents and principals (i.e., Centenary Bank stakeholders).

In spite of this, it is worth noting that there were some challenges noted by the research. There were concerns such as pressure on performance and conflicts of interest which occurred occasionally. Such observations are consistent with some of the cases observed within the background information supplied for this study.

. However, it seems that Centenary Bank does have fairly adequate internal controls and systems to solve any challenges of this nature. To summarize, it is evident that the findings provide information which will help solve the contextual problem identified in Chapter Two, through bank-specific information from Centenary Bank in Uganda.

CHAPER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter is an attempt to bring all the major themes discussed across the previous chapters of this study together. It is an attempt to provide a proper and relevant interpretation and analysis of the results derived from the data obtained from Centenary Bank. Moreover, it includes conclusions and recommendations drawn from the research findings.

The chapter also reflects on the limitations encountered during the research process and highlights areas where future students and researchers can expand or build upon this study. As a final-year Business Administration student, I believe this chapter five is very important because it shows how the research answers the original problem stated in Chapter One and contributes something useful to Centenary Bank and the entire banking sector in Uganda. The purpose of the study was to determine the role of accounting ethical practices on the quality of financial reporting quality at Centenary Bank, and this chapter writes it all.

5.1 Summary of Findings

The study is to achieve three specific objectives, and the data collected from the field gave clear information to my research topic.

The first objective is the effect of disclosure on the quality of financial reports in Centenary Bank, the respondents strongly agreed that when Centenary Bank gives full and clear notes, policies, risk information, and related-party details to the public, the reports become more relevant and useful to many departments and bodies like stakeholders in the organization.

The results indicate a high level of consensus among respondents with an overall average score of 4.42 out of five on the Likert scale. In this case, several accountants agreed that the level of confidence for investors increases significantly whenever the financial information is properly explained in the notes, especially the IFRS compliant disclosures. The results further illustrate the significance of proper disclosure in mitigating investor confusion in relation to the financial institutions. These results are in line with prior research that was carried out in Uganda and presented in Chapter Two.

For the second research objective, that aimed at investigating the association between accounting ethics and financial reporting, the results obtained were very strong and positive. The average score was 4.49 out of five, and in this case, a large majority of the respondents agree that the application of the ethics such as integrity, objectivity, and professionalism in the course of preparing financial reports enhances

Further, the research has also revealed some of the major ethical issues facing the accountants working at the bank. The first one is the pressure from the management for achieving the profit target figures, which is cited by 62.2% of the respondents. Others include the conflicts of interest (48.1%) and lack of ethics training in some cases. At times, there is also the issue of insider information being abused. In case these problems are not well addressed, they may have an adverse effect on the accuracy of accounting. Although the performance pressure is always inevitable, the audit team helps in ensuring that the employees maintain their objectivity and ethics. These issues are not only applicable to the bank under discussion but also to other financial firms in Uganda.

Overall, all three research objectives led to the same conclusion: ethics, especially disclosure and high-level integrity, positively contribute to the quality of financial reporting at Centenary Bank. This outcome corresponds not only to international principles but also to local research findings made by Kaawaase et al. (2021) and solves the ethical issues stated in the background and problem statement of this research.

5.2 CONCLUSION

The study proves that ethical accounting practices can help increase the quality of financial reporting for Centenary Bank. The company has done an excellent job following IFRS standards, the ICPAU Code of Ethics, and implementing internal control measures that have resulted in reliable financial reporting from 2022 to 2026.

But the study also makes it clear that the problems such as pressure to perform and conflicting interests are still present and can pose a threat to trust if not properly handled. Therefore, by focusing on integrity, transparency, and diligence, the financial statements become much more helpful for making the right decisions for the shareholders, regulators, investors, and the community at large. This is a direct response to the problem of unethical noncompliance raised in Chapter One. As far as a developing nation such as Uganda is concerned, trustworthiness in financial institutions is vital, and ethical accounting is one of the ways in which this can be

achieved. The implementation of ethical accounting practices will help in reducing any scandal and promote wise investment choices.

5.3 RECOMMENDATIONS

The following recommendations can be made after analyzing the findings of the study.

Recommendation for Bank (Centenary bank):

The bank must provide yearly ethics training courses for all the members of the accountancy and finance department, especially for individuals who have been in the profession for over ten years. Such programs will address practical matters such as the issue of conflict of interest and performance pressures. By partnering with the ICPAU to conduct such trainings, the organization can ensure that the program is up to date and relevant. Moreover, the bank should increase the scope of its voluntary disclosures by making public details regarding its ESG activities. The Ugandan Bankers Association ESG Framework (2024) can be considered as a guide.

To ICPAU and the Bank of Uganda:

The relevant authorities may find it wise to carry out an annual ethics audit at all commercial banks and release their results after ensuring that all information is kept confidential. It will encourage the entire industry in ethics and will be a very good practice before the new IFRS Sustainability Disclosure Standards kick in from 2028.

To Individual Accountants:

Individual accountants need to maintain high levels of integrity, objectivity, competence, confidentiality, and professional conduct. Every daily decision made by accountants, even the small ones, make a big impact on financial reporting.

To the Ministry of Finance, Planning and Economic Development:

These committees ought to be fully functional and independent, and there needs to be regular monitoring to ascertain their effectiveness instead of them just being there for the sake of compliance.

This would go a long way towards overcoming the disparity between theory and practice.

Were these recommendations to be adopted, they would help tremendously with issues of trust, transparency and performance at Centenary Bank and, indeed, the entire Ugandan banking industry.

5.4 Limitations of the Study

There were numerous limitations to the research carried out in this study. First, the data collected was only limited to the main branch, Mapeera House, in Kampala. This may not allow for generalization of the results to other branches such as those located in Mukono, Gulu, or Mbale.

The second limitation was that the study was based on self-reporting using questionnaires, which can be affected by personal bias and the unwillingness of participants to criticize the organization.

Thirdly, because of the limited amount of time and confidentiality issues, no analysis was conducted of the financial statements of the bank over the years 2022-2026.

Lastly, data was gathered at the beginning of 2026, and hence all subsequent events are not included in the results. In spite of these limitations, the study obtained a high response rate, and the structured questionnaires made the findings reliable.

5.5 Suggestions for Further Research

Further research could focus on the new ethical challenges being posed by digitalization to accountants working in Ugandan banks, including data protection and automated decision making.

Other possible areas for future research could involve the conduct of comparative analysis among several banks, for example, Centenary Bank, Stanbic Bank, and Absa Bank. The use of appropriate statistics would be employed to measure the effect of certain ethical principles on the quality of financial reporting.

Other areas of research could include the impact of ethics on sustainability reporting considering the adoption of ISSB in Uganda and the impact of demographic variables like age and gender on ethical behavior.

In conclusion, this research has contributed significantly to the field of accounting ethics in Uganda. It is hoped that future research will aid in building trust, transparency, and integrity among financial institutions.

REFERENCES

- Babajanyu, et al. (2023). *Professionalism and ethical standards in accounting: Prioritizing public interest*. [Publisher or Journal – as cited in your text; replace with full details if available].
- Barth, M. E., Landsman, W. R., & Lang, M. H. (2008). International accounting standards and accounting quality. *Journal of Accounting Research*, 46(3), 467–498.
- Beest, F. V., Braam, G., & Boelens, S. (2009). Quality of financial reporting: Measuring qualitative characteristics. *NiCE Working Paper 09-108*, Nijmegen Center for Economics (NiCE), Institute for Management Research, Radboud University Nijmegen.
- Catacutan, R. (2006). *Ethical dilemmas in the accounting profession*. [Publisher or Journal – as cited; expand if full source available].
- Cohen, J., Krishnamurthy, G., & Wright, A. (2004). The impact of audit committee effectiveness on financial reporting quality. *Journal of Accounting and Public Policy*, 23(5), 351–378.
- Dankwanmbo, I. M., & Izedonmi, F. (2018). *Ethics in accounting: Application of IFAC code in private and public sectors*. [Publisher or Journal – as cited].
- Dechow, P. M., Sloan, R. G., & Sweeney, A. P. (1995). Detecting earnings management. *The Accounting Review*, 70(2), 193–225.
- Enofe, A. O., et al. (2015). *Impact of Sarbanes-Oxley Act on accounting ethics and financial reporting*. [Publisher or Journal – as cited].
- Ezeani, et al. (2023). *Corporate governance failures and ethical committees in Uganda*. [Publisher or Journal – as cited].
- Hornby, A. S. (2010). *Oxford advanced learner's dictionary* (8th ed.). Oxford University Press.
- International Federation of Accountants (IFAC). (2024). *Handbook of the International Code of Ethics for Professional Accountants (including International Independence Standards)*. <https://www.ethicsboard.org/publications/2025-handbook-international-code-ethics-professional-accountants>
- Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305–360.

- Joseph, & Dike. (2023). *Non-compliance with codes of conduct and financial report credibility*. [Publisher or Journal – as cited].
- Martinez-Ferrero, J., Garcia-Sanchez, I. M., & Cuadrado-Ballesteros, B. (2013). Effect of financial reporting quality on sustainability information disclosure. *Corporate Social Responsibility and Environmental Management*, 22(4), 205–220.
- Mugisha. (2021). *Insider trading and conflicts of interest in Ugandan banks: A case of Centenary Bank*. [Publisher or Journal – as cited; expand if full source available].
- Nabudere. (2022). *Creative accounting practices in Ugandan banks: Stanbic Bank case*. [Publisher or Journal – as cited].
- Nwagboso. (2008). *Professional behaviour and its impact on financial reporting*. [Publisher or Journal – as cited].
- Ogbonna, G. N., & Appah, E. (2011). Ethical compliance and financial reporting quality in Nigeria. *European Journal of Business and Management*, 3(5), 1–10.
- Ogbonna, G. N., & Ebimobowei, A. (2011). *Objectivity principle and financial reporting quality*. [Publisher or Journal – as cited].
- Oraka, A. O., & Okegbe, T. O. (2015). *Objectivity and integrity in professional accounting*. [Publisher or Journal – as cited].
- Rachels, J., & Rachels, S. (2019). *The elements of moral philosophy* (8th ed.). McGraw-Hill Education.
- Sarbanes-Oxley Act of 2002, Pub. L. No. 107-204, 116 Stat. 745 (2002).
- Tang, Q., Chen, H., & Zhijun, L. (2008). *Financial reporting quality: Definitions and measurement*. [Publisher or Journal – as cited].
- Verdi, R. (2006). *Financial reporting quality and investment efficiency* [Working paper]. MIT Sloan School of Management. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=930922
- Yamane, T. (1967). *Statistics: An introductory analysis* (2nd ed.). Harper & Row.

APPENDIX1; QUESTIONNAIRE

UGANDA CHRISTIAN UNIVERSITY.

SCHOOL OF BUSINESS

Dear Sir/Madam, My name is Awel Josephine, a student pursuing a Bachelor's Degree in Business Administration (BBA) and conducting research on 'The role of accounting ethical practices on financial reporting quality in Centenary bank' to help address the research objectives and questions. Please, answer honestly and your participation is voluntary. All the responses will be kept confidential.

Awel Josephine.....

Instructions:

- For demographic questions (Section A), please tick the appropriate box.
- For the remaining sections (B-D), please use the Likert scale provided: 1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree
- Some questions may include open-ended options for additional comments. Please write in your comments.

Section A: Demographic Information (Please tick one)

1. Gender? Male Female
2. Age group? 24–35 36–45 46–55 56+
3. Are you a:
Practicing accountant Non-practicing accountant other: _____
4. Years of work experience? 1–10 11–20 20+
5. Highest qualification?
Diploma Bachelor's Master's Professional (CPA/ACCA etc.) Other:

6. Department? Administration Retail Banking Treasury & Cash Mgt
Marketing Investment Financial Planning & Analysis
Other: _____

Section B: Disclosure and Financial Reporting Quality.

Use the Likert scale to answer the questions with the best of your knowledge

(Likert: 1 = Strongly Disagree → 5 = Strongly Agree)

Objectives	1	2	3	4	5
1. Full disclosure improves transparency of Centenary Bank’s reports.					
2. Improper disclosure causes misleading financial statements.					
3. Timely disclosure increases stakeholder trust.					
4. Disclosure practices aligns with Bank of Uganda standards.					
5. Better disclosure reduces misrepresentation risk.					

Suggested improvements to disclosure practices:

Section C: The Ethical Challenges & Impact on Reliability Report.

Use the Likert scale to rate the following questions

(Likert: 1 = Strongly Disagree → 5 = Strongly Agree)

Objectives	1	2	3	4	5
1. Management pressure to manipulate figures is there.					
2. Conflicts of interest harm report reliability and quality.					
3. Lack of ethics training contributes to unethical practices in the bank					
4. Creative accounting (e.g. inflating assets) reduces reliability.					
5. Ethical dilemmas lead to inaccurate reporting.					

6. Main ethical challenges you have observed and their impact:

Section D: Adherence to Accounting Ethics & Reporting Quality (Likert: 1 = Strongly

Disagree → 5 = Strongly Agree)

Integrity

Objective	1	2	3	4	5
1 Integrity ensures accurate and fair financial reports.					
2. Lack of integrity leads to misleading statements.					
3. Objectivity improves report credibility.					
4. Bias or undue influence lowers reporting quality.					
5. Continuous training improves accuracy and timeliness.					

6. Lack of competence causes reporting errors.					
7. Confidentiality protects report integrity.					
8. Confidentiality breaches cause unreliable disclosures.					
9. Professional behavior promotes high-quality reporting					
10. Unprofessional acts (e.g. manipulation) harm report quality.					
11. Strong adherence to ethical practices can improve financial reporting quality at Centenary Bank.					

12. In which ways can Centenary Bank promote ethical behavior to improve reporting quality?

APPENDIX II: BUDGET

Item	Amount (UGX)
Stationary (papers and pens)	20.000
printing	50.000
Internet usage	35.000
transport	40.000
Total	145.000

APPENDIX III: INTRODUCTORY LETTER



UGANDA CHRISTIAN UNIVERSITY

A Centre of Excellence in the Heart of Africa

School of Business

25th March 2026

Dear Sir/Madam

Re: Introduction of Awel Josephine, M23B05/180 for Data Collection Permission

I am writing to introduce Ms. Awel Josephine, M23B05/180, a student of Bachelor's Degree in Business Administration and Management at Uganda Christian University. Awel Josephine, M23B05/180, is currently in the advanced stage of her academic journey and is conducting a dissertation on "THE ROLE OF ETHICAL ACCOUNTING PRACTICES ON THE QUALITY OF FINANCIAL REPORTS IN CENTENARY BANK."

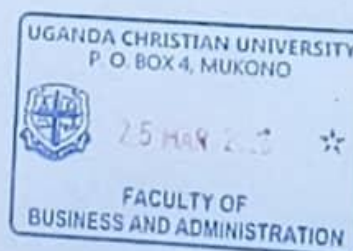
I assure you that Ms. Awel Josephine, M23B05/1802, will adhere to all ethical guidelines and treat any data collected with the utmost confidentiality. She is a responsible student dedicated to conducting a thorough and rigorous study.

We kindly request your support in granting Ms. Awel Josephine, M23B05/180 access to relevant data and personnel within any department and as well as any personnel with objective knowledge regarding her topic. Your valuable insights will significantly contribute to the success and quality of her research.

Thank you for considering her request. Should you require any additional information, please do not hesitate to contact me on the address provided here below.

Sincerely,

Mukisa Simon Peter
Lecturer and undergraduate
Research coordinator UCU School of Business
Email smukisa@ucu.ac.ug Mob. 0752938600



A Complete Education for A Complete Person

Plot 67-173, Bishop Tucker Road, Mukono Hill, P.O. Box 4, Mukono, Uganda.
Tel: +256 312 350 858/+256 312 350 411 Fax: +256 4142 90 800 Email: info@ucu.ac.ug Web: www.ucu.ac.ug
Founded by the Fellowship of the Church of Uganda. Owned by the Government of the Republic of Uganda.