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PROFESSIONAL ACCOUNTANCY AND ETHICS FAILURE

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EXECUTIVE SUMMARY

Few financial scandals are the result of methodological errors rather than from errors in judgment. This has increasingly been shown in corporate collapses and audit failures around the globe, where attention has not been adequately given to the ethical and professional values of honesty, integrity, objectivity, due care, and the commitment to the public interest before one's interests. The results have been an apparent breakdown in society's belief that accountants act in the public interest. The number of accounting abuses has served as *prima facie* evidence that something more is needed in terms of accounting ethics. To some extent, professional bodies and educational institutions have responded by calling for more ethics education in the accounting curriculum. But is this enough?

This research report is about professional accountancy and ethics failure. The study sought to deepen the understanding of the ethical sensitivity/awareness, development, motivation, and character of professional accountants in contributing to ethical failure or otherwise. Broadly, the objective of the study was to examine the ethical development, ethical sensitivity, and ethical intent of professional accountants, and the extent to which the current state of professional accountancy training has contributed to ethical failure or otherwise. The focus of the study was therefore to determine the factors that drive or constrain the role of ethics in professional accountancy (training and practice) in reducing corporate failure. The research report covers the following four sub-themes: (1) *accounting ethics and professional accounting practices in Ghana; (2) the role of accounting ethics, internal controls and personality traits in fraud mitigation; (3) organisational culture, accountants' personality and ethical influence on corporate failure; and (4) the effect of religion, gender and accounting certification on ethical accounting practices*. Using a sample of 335 respondents, made up of qualified accountants who are members of ICAG, primary data was obtained through an online survey. The findings from this study revealed that being ethical enhances the quality of financial reports and builds user confidence in the financial reports. Ethics also promotes the objectivity and independence of the accountant. Ethics promotes professional behaviour in accountants. The results obtained from this study are sufficient to conclude that ethical accounting practices and ethical decision making are relevant in professional accounting practices. The study will assist entities to ensure their controls are working. It will also help professional bodies to ensure their members are abiding by the laid down codes of conduct and not being complacent. If necessary, a review of these codes of conduct should be done and there should be a system to ensure their members

are abreast of the new changes. Our research brings to the notice of all and sundry that discrimination at the workplace on the basis of gender, religious or ethnic affiliations are of no good. There is no need necessarily classifying one group as ethical and the other group as not.

This study has revealed that the critical ethical issues contributing to recent corporate failures include conflict of interest; insider dealings, disregard for good corporate governance and failure of oversight bodies; auditors and accountants not playing their much needed watchdog roles; pursuit of personal interest by corporate management as against corporate interest; board chairs interfering in day-to-day management of institutions and ordering management to undertake or make certain transactions in their favour; pressure from superiors to accountants to bend financial practice procedures to ease operations flows and makes financial statements look good; decayed integrity; and failure of supervisory bodies to promptly crack the whip.

Based on the findings and conclusion from this study, we recommend that professional accountancy bodies should provide financial insurance cover for accountants who lose their jobs as a result of strong adherence to ethical standards; punishment in the form of revocation of license and loss of membership/suspension of certificate should be instituted and enforceable; regulators should establish effective widely known whistle-blower lines, which can be trusted to provide anonymity; guided by the ethical standards of their profession, professional accountants must demonstrate commitment to ethical principles and personal values; political party affiliations especially by accountants in the public sector should be strongly discouraged; and there should be regular profiling of the ethical behaviour of accountants by reviewing their activities and personal value system.

INTRODUCTION

Background of the study

Current global concerns point to the need for a renewed emphasis on developing in every individual an inner guide, an ethical, and a moral vision in ensuring accountability. This will position the individual, especially professional accountants, in a better frame of mind to make sound accounting judgements and to reduce or eliminate accounting misconceptions and corruption, which has engulfed many economies of the world, especially in developing economies. In Ghana, over the years, the Auditor General's reports indicate instances of misappropriation, misapplication and embezzlement of funds, sometimes involving accounting personnel. This affirms the extent to which the ethical fabric of some accounting stakeholders has degenerated.

For some time now, the role of ethics in the life and character of professionals has been the focus of many pieces of research. It is believed that ethical behaviour should form the core responsibility of professional accountants (Otalor & Eiya, 2013). The conservation, security, enrichment, credibility, recognition, respect, and success in the accounting profession, to a large extent, depend on the ethical behaviour of its members (Lisboa, 2010; Moraes, Silva & Carvalho, 2010; Machado, Almeida & Simao, 2012; Della, Ceolin & Neubauer et al., 2015). As members of a society, the behaviours and attitudes of professional accountants influence business and society in general (Cristian & Florina, 2008). Moreover, their ethical conduct in the provision of accounting services contributes to socio-economic development and the making of own and client decisions (Pimenta & Souza, 2014).

Most firms recruit or outsource accounting professionals to monitor all financial transactions; hence, are expected not to fudge documents, pilfer, or get involved in fallacious activities that affect the organisation's finances (Ghillyer, 2008). An unethical accounting professional may occupy a position that makes it possible to manipulate financial statements, distorting an entity's economic reality, known as creative accounting. From the perspective of ethics, such manipulations must be morally reprehensible as they are unfair to users of information, involve injustice of power, and misrepresent regulators (Gowthorpe & Amat, 2005).

Furthermore, the impact of material misstatement – intentional or unintentional (fraud or error, respectively) in relation to financial reporting is not restricted to the limits of direct users

(Creditors and investors) and can affect the global economy, depending on the intensity of the fact (Rockness & Rockness, 2010). Under this logic, accounting professionals must have an ethical commitment, since financial information is used in decision-making, thus contributing to the financial health of organizations and the well-being of society in general (Cristina & Florina, 2008). Moraes, Silva, and Carvalho (2010) point out that, at the global level, there has been an increase in the transparency and trustworthiness of the accounting information generated by professional accountants. Yet, there seems to be an ethical failure on the part of professional accountancy bodies in ensuring that their members comply with the code of ethical principles of the accounting profession (Smith, 2003).

The results have been an apparent breakdown in society's belief that accountants act in the public interest. The number of accounting abuses has served as *prima facie* evidence that something more is needed in terms of accounting ethics (Armstrong et al., 2003). To some extent, professional bodies and educational institutions have responded by calling for more ethics education in the accounting curriculum (Price water house Coopers, 2003). But is this enough? This study seeks to deepen the understanding of the ethical sensitivity/awareness, development, motivation, and traits of professional accountants in contributing to ethical failure or otherwise. Specifically, the study seeks to:

1. Evaluate the role of accounting ethics in professional accounting practices in Ghana;
2. Examine the role of accounting ethics, internal controls, and personality traits in fraud mitigation;
3. Examine the role of organizational culture, accountants’ personality and ethical influence on corporate failure;
4. Determine the effects of religion, gender and accounting certification on ethical accounting practices.

The research report is presented under the following four sub-themes: (1) accounting ethics and professional accounting practices in Ghana; (2) the role of accounting ethics, internal controls and personality traits in fraud mitigation; (3) organisational culture, accountants’ personality and ethical influence on corporate failure; and (4) the effect of religion, gender and accounting certification on ethical accounting practices.

The rest of the research report is organised as follows. The next section presents a review of conceptual issues on the concept of ethics, ethical principles, and the accounting profession, ethical failure and professional accountancy practices. It also reviews empirical literature on ethical failure and professional accountancy practices. Afterwards, the paper presents the methodology, the empirical analyses, results, and discussions. Finally, the research report presents a summary, conclusion and implications for policy and practice.

LITERATURE REVIEW

Introduction

This section presents a review of conceptual issues on the concept of ethics, ethical principles, the accounting profession, ethical failure and professional accountancy practices.

The Concept of Ethics

Guilhem and Figueiredo (2008) assert that ethics is a widely used expression in everyday life, but its definition is a difficult task. They believed that in a sense, ethics is considered abstract, since it relates to the part of philosophy applied to reflect the foundations of moral life, such as norms and principles.

Ethics, in this study, derives from *ethos*, bound to habits, customs, and traditions. Ethics is understood in the field of philosophy as concerned with human behavior and the consequences of its attitudes (Gitman & McDaniels, 2007; Smith, Charoensukmongk, Elkassabgi, & Lee, 2009; Otalor & Eiya, 2013). According to Crane and Matten (2004), ethics encompasses norms, values, and beliefs that integrate a social process, in which one seeks to distinguish right and wrong in terms of conduct. In agreement with Grane and Matten (2004), Rossouw, Du Plessis and Prinsloo (2009) believe that ethics refers to the character of a person. The focus is therefore on the kind of person the person is (the person's personality) and on how the person interrelates with others. From the above, it could be deduced that ethics entails a set of principles and edicts about what is good for self and others. Again, ethics is seen by Weeger (2007) as to how people make decisions and conduct themselves. Rawls (as cited in Thompson, 2007) posits that unethical events are attributed to differences in people, which propel them to behave in contradiction to what the community accepts as moral and just.

In business, ethics is a moral-based standard of conduct used to differentiate acceptable from unacceptable (Ferrel, Fredrich & Ferrel, 2001). Otalor and Eiya defined ethics to be a set of rules and principles that consist of responsibilities among professionals, whether as colleagues, clients, or society in general. It guides acceptable behavior and improves the consistency and quality of ethical issues (Otalor & Eiya, 2013). Essential to the conversation, security, enrichment, credibility, recognition, respect, and success in the accounting profession is ethics (Lisboa, 2010; Moraes, Silva & Carvalho, 2010).

Virtue ethics is an agent-based approach and involves the motivations and character of the person involved instead of the reasons for the actions. Virtue ethics seeks to inculcate certain behavioural traits that lead to a person performing the right actions. And undoubtedly, the accounting profession sees the significance of virtue carrying out responsibilities (Mintz, 2006). Generally, ethics education is believed to be essential in facing the numerous ethical issues encountered by accountants in the public sector and the private sector ((Jackling, Cooper, Leung, & Dellaportas, 2006).

The Accountancy Profession

As far back as the eighteenth century, “Chartered Certified Accountants” existed. The first charter that was bestowed in acknowledgement of the profession was in 1854 by her Royal Majesty to “The Society of Accountants” in Edinburgh. In a similar vein, the Institute of Accountants and Actuaries in Glasgow fought to be established by praying the Queen for a Charter (Brown, 2004). Bosiako defined a profession as an occupation, practice or vocation that involves mastering a complicated structure of knowledge and skills through education and experience (Bosiako, 2011). There has always been the contention as to the origin of the accounting profession, whether Italy or Scotland. Many arguments have been made in favour of each country (Brown, 2004, p.181). *Collegio dei Raxonati* was the maiden association of accountants in Venice in 1581, but Scotland was first to organise accounting as a profession under the “Chartered Accountant” designation in 1854 with George Watson being the first Chartered Accountant. England and the United States of America followed similar steps in 1880 and 1896 respectively with the United States of America launching “Certified Public Accountants” as a profession in New York (Bosiako, 2011). The American Institute of Certified Public Accountants (AICPA), until now, has been the sole institution in the United States of America to certify professional accountants with the CPA designation. Accounting associations around the world have the sole responsibility for the certification of accountants.

The International Federation of Accountants (IFAC) is now the global organisation under which activities of accountants are performed. IFAC boasts of representing over 160 professional accounting bodies in over 120 countries with over 2.5 million individual members worldwide. IFAC’s mission is to serve the public interest, strengthen the worldwide accountancy profession, and contribute to the development of strong international economies by establishing and promoting adherence to high-quality professional standards, furthering the internal convergence of such standards, and speaking out on public interest issues where the profession’s expertise is most relevant (Saville, 2007). Professional accountants globally are consolidated under IFAC, following the same certification program.

According to a census done in 1948, there was no African qualified accountant in the Gold Coast even though accountants were needed for the production of accounts for taxation (Bosiako, 2011). After independence in 1957, Dr. Kwame Nkrumah constituted a committee to suggest the professions needed to form his government and as a result, some people were sent to Britain to be trained as accountants. Later that year, a sub-committee of the Association of Accountants was set up to design a plan for the training of accountants in the nation (Bosiako, 2012). The committee suggested the establishment of a professional accountancy examination body (though they thought it was premature because of infrastructure). The Association of Chartered Certified Accountants (ACCA) being the only accountancy body in the UK, allowed for examination in Ghana. The government agreed with the committee and instituted the Institute of Chartered Accountants by the Chartered Accountant Act, 1963 (Act 170) (Awayiga, Joseph & Tsamenyi, 2010). The ICAG became the only professional accountancy certification body in Ghana and the only body for the development of the profession as well.

A report by the World Bank in 2004 stated that the ICAG needed improvement and capacity building because their education and training was inadequate and that there was a higher demand for accountants. These deficiencies stated were all due to inadequate financial resources. Consequently, the World Bank in 2010 gave a grant to the ICAG to improve their capacity; legal framework and design; and develop and implement the International Financial Reporting Standards (IFRS).

Principles of Accounting Ethics

The principles of ethics can be better understood by categorising it into two groups, thus personal and professional ethics. The principles of personal ethics are known as morality, reflecting the general expectations of any person, acting in any capacity. The principles of professional ethics are imposed on an individual acting in a professional capacity, prescribing the required behaviour within the context of professional practices such as accounting, medicine, law or engineering. According to Bradburn (2001), principles of personal ethics comprise concern for the well-being of others, respect for the autonomy of others, trustworthiness and honesty, willingly complying with the law, justice and fairness, refusing to take any unfair advantage, benevolence, and preventing harm. The underpinning values of professional ethics include objectivity, transparency, confidentiality, due diligence, professional competence and due care, and professional behaviour.

Ethical Failure and Professional Accountancy Practices

Due to the major corporate failures in the 1980s and 2000s that led to the loss of savings and shareholders' investment, ethics in business and accounting has become a major concern for the citizenry (Dellaportas, Kanapathippillai, Khan & Leung, 2014). For many years now, the accountancy profession has been essential in business as the provider of accounting information. Accountants are considered as people who are honest, principled and execute efficient and valuable tasks for their customers and the public. However, over the years, the confidence and belief in them continue to decline due to dubious accounting practices and scandals that have hit the profession (Leitsch, 2006).

Leung and Cooper (1995) as well as Ponemon and Gabhart (1993) believe that ethical issues are an integral part of the working environment of accounting professionals. Gowthorpe and Amat (2005) point out that creative accounting has become the order of the day; it includes the micromanipulation, which consists of regulators' persuasion to develop regulations of interest to information preparers, and preparation of accounting reports with partial information to demonstrate a view of the reality of the preparers themselves. From the perspective of ethics, such manipulations must be morally reprehensive as they are unfair to users of information, involves injustice of power and misrepresents regulators. Significantly, accounting professionals have an ethical commitment, since financial information is used in decision making, thus contributing to the financial health of organisations and the well-being of society (Cristina & Florina, 2008).

According to Moraes, Silva and Carvalho (2010), there is an increase in the transparency and trustworthiness of the accounting information generated by professional accountants globally. Parker and Smith posit that accounting activities cannot be dissociated from ethical issues, therefore, in their training, a code of ethics should be encouraged, discouraging unethical conduct and promoting orientations in the face of ethical dilemmas (Parker, 1994; Smith, 2003). According to Waddock (2005), accounting is seen to be more ethical than technical; emphasising that accountants need to be conscious of their belief systems, consequences and be capable of thinking about the effects of their actions and inactions if they are to act with integrity. Ethics education is seen as a potent medium by which the accountancy profession and the academic community use to improve the professional accountant's ethical behaviours.

Considering the decline in public confidence in the accounting profession, researchers have ignited their interest in business ethics and professional accounting, offering solutions to bring back public trust in accountants (Leitsch, 2006). Researchers keep asking questions such as: Is instituting a code of ethics an end to unethical behaviour of professionals, is a code of ethics for a profession established before ethical behaviour could be learned and practiced or does an individual's actions indicate his/her allegiance to ethical decision making (Weeger, 2007)?

In the USA, an initiative was taken by the American Institute of Public Accountants (AICPA) to evaluate the skills needed by accountants to meet their future demands. The report, titled the CPA Vision Project, published by the Institute revealed the core value that a Certified Public Accountant must have to meet future challenges of integrity (Fogarty, Radcliffe & Campbell, 2006). In order to help CPAs gain the skills identified in the report, the AICPA designed the AICPA Core Competency Framework for entry into the accounting profession. A significant part of this framework tackled the area of personal competencies of accountants, the capability of accounting professionals to exhibit a commitment towards integrity and ethical behaviour (AICPA, 1999).

The debate on whether ethics can be taught or not continues and if teaching ethics influences future behaviour (Louden, 2002). Dellaportas, Kanapathippillai, Khan, & Leung, (2014) posit that ethics education is a mitigating factor in curbing the dubious behaviour of some accountants. Other researchers believe that the ethical content of the accounting training is low, hence calls to investigate the problems associated with teaching ethics. The insufficiency of the ethics as a subject in accounting degrees, means graduates are accepted into the accounting profession with less knowledge and skills in dealing effectively with ethical situations. Now, more than ever, the significant role of educators in restoring confidence in the profession by addressing the moral obligations and social responsibility. To this end, universities should aid students to develop moral and ethical standards that they may lack (Evans & Marca, 2005; Mayhew & Murphy 2009; Sims, 2002; Smith, 2003). Everett (2007) also believed in the fact that some business schools act as if ethics and ethical assumptions are not part of what they teach. Merritt (2002) reignited that importance must be attached to ethics in accounting to restore public belief in the integrity of the financial information provided by accountants. Dellaportas, Kanapathippillai, Khan and Leung (2014) asserts that the availability of qualified staff and research opportunities in ethics are challenges. The reticence of staff teaching ethics connotes a limitation to improving the delivery of ethics education. Even though access to qualified staff is a hindrance, it can be addressed with the allocation of resources to staff improvement (Dellaportas, Kanapathippillai, Khan, & Leung, 2014).

In July 2003, IFAC published a research report titled "Rebuilding public confidence in financial reporting – an international perspective". In this report, IFAC unveiled some weaknesses in organisations and suggestions for effective corporate ethics and provision for training and capacity building for accountants to handle the difficult ethical issue (IFAC, 2003). According to Thorne, ethics education is robbed of the importance it deserves in accounting education (Thorne, 2004). PwC made a similar claim by saying the accounting curriculum lacks the integration of ethics (PwC, 2003). Gaa and Thorne (2004) postulate that ethical education is seen as a potential solution to the accounting profession's ethical crisis. In the US educational context, accounting educators' duties in teaching ethics have been discussed extensively including issues on the professionalism of accountants. Humphrey (2005) indicated that in existence is the real scope of evaluating how the international academic accounting profession has handled scandals. Particularly, there exists the scope in identifying the role of accounting bodies in rendering pre-qualification education on ethics, as well as ongoing professional development. The period after these major scandals have provided the platform to intensely propagate ethics education in which accounting bodies have a key duty (Jackling, Cooper, Leung & Dellaportas, 2007)

In a bid to improve the ethical behaviour of professional accountants, it is essential for accountancy bodies and researchers to shift their focus and efforts to the ethical sensitivity of accountants (Chan & Leung, 2006). Researchers acknowledge an increase in the importance of ethics in accounting education even though there are perceived challenges. There are some problems like the duty of universities in improving ethics training for staff, and the role of education in meeting the widening skills needed in the accounting profession (Khan, 2014). According to Gunz and McCutcheon (1985), the two challenges of teaching accounting ethics are that most teachers are not formally educated in ethics and ethics teaching is integrated with existing accounting courses and hence become a victim of the whims and caprices of the teacher to commit the needed time to ethical issues.

Ferguson, Collison, Power and Stevenson (2010) spoke about the increasing concern within the literature that accounting education is not able to help students mature ethically. Some literature reveals the need for business ethics as a full course to train accountants in the code of ethics and ethical decision making.

According to Ghoshal, extra courses in business ethics have a lesser effect since they do not adequately challenge the underpinning "common sense" assumptions that aid in maintaining current social arrangements (Ghoshal, 2005). In a similar sense, Wolfe and Perriton believe that providing 'bolt-on' courses would be a sufficient activity if the ethical and moral underpinnings are not attended to (Wolfe, 1993; Perriton, 2007).

Leitsch (2006) proposed that accounting educators can design the content of their accounting courses in a way to present varying unethical issues and help students find the components of moral intensity in each case.

Role-playing, essay responses, and open discussions may be good platforms to examine moral issues in accounting. For instance, an accounting information systems course could have ethical issues that relate to computer and network practices while hammering the ethical intensity issues and how they correlate with the decision-making process. The effects of behaving unethically could be evaluated about the intensity elements. Again, during ethical awareness conference and training, particular cases can be designed to focus on various kinds of unethical issues, the intensity of the elements of the issue and the decision-making procedures may be in practice within the organisational setting. Paying attention to the elements may bring to light the various moral intensity problems and emphasise the numerous parts of the decision-making process (Leitsch, 2006).

METHODOLOGY

Introduction

This study sought to investigate the role accounting ethics plays in professional accountancy, challenges faced by accountants as they strive to adhere to ethical standards**,** and the factors that influence the ethical decision making of accountants. The study employed the quantitative research approach. This section describes the research design, population of the study, data sources and data collection procedure, and limitations of the study.

Research Design

Banda, Mpolomoka, Dube and Sampa (2017) explain a research design as, "that set of methods and procedures utilised in collecting and analysing measures of the variables per the research matter." The planning of a study defines the study type (descriptive, correlation, semi-experimental, experimental, review, meta-analytic) and sub-type (e.g., descriptive-longitudinal case study), research problem, hypotheses, independent and dependent variables, experimental design, and, if applicable, data collection methods and a statistical analysis plan. Research design may be a framework that has been created to seek out answers to research questions. Specialising in asking suitable questions aid in producing a comprehensive research report.

For this study, descriptive statistics were used to analyse and present the results. This is because it sought to obtain the views of different people with different backgrounds on the same issues of the role of accounting ethics in professional accounting practices. Yin (2004) stated that descriptive research is the collection of information from different persons without altering the environment. Descriptive research design is also sometimes "correlational" or "observational" studies. Again, a descriptive survey is about describing, observing, and documenting aspects of a situation to establish existing relationships (Yin, 2004).

Creswell (2007) indicated that descriptive research design makes use of the features of both qualitative and quantitative research methods. The implication here is that irrespective of the type of research approach employed, descriptive research design can be employed. Osuala (1991) argues that descriptive survey is versatile and practical in that it identifies present conditions and points to present needs. The descriptive survey has been recommended by Babbie (1990) for generalisation from a sample to a population so that the inferences can be made about some characteristics, attributes, or behaviour of the population.

Study Population

According to Mason, (2007), the population is the individuals, objects or value measurement. Population according to Burns and Grove, (1997) is elements (individuals, objects and events) that meet the sample requirements for inclusion in a study. However, it has been argued that research does not necessarily require large samples but careful selection of respondents whose views will help explain the issues being studied (Flicks, 2008). Concerning this study, the target population is professional accountants working in Ghana. The target respondents were chosen to be the unit of analysis because professional accountants are perceived to be ethically inclined. The researchers required the views of persons who were directly involved in the facilitation of both individual and organisational accounting practices.

Data Sources

Primary data was gathered from a sample size of 335 respondents, made up of qualified accountants who are members of ICAG. The main approach that was employed by this study for data collection was an online survey using a questionnaire. The data collection process started on April 20, 2020 and ended on June 15, 2020. The questionnaire was made up of both close-ended and open-ended questions. They were constructed and administered using a scale from 1 – 5, representing strongly disagree to strongly agree, respectively. The rationale for using the questionnaire is that it is a quick way of collecting data. More so, it is known to be quite valid and reliable if well structured (Sarantakos, 2005; Neuman, 2007).

Limitations of the Study

While the methodology was designed to obtain a representation of professional accountants, it was not exhaustive. A study of this nature or magnitude always has limitations. Due to the problem of accessibility as a result of Coronavirus (Covid-19) pandemic, an attempt to get in contact with the respondents in person for an interview was difficult, hence, the researchers employed only the online survey. These, however, did not affect the study in any way since the researchers anticipated these challenges.

RESULTS

Introduction

The focus of the study was to determine the factors that drive or constrain the role of ethics in professional accountancy (training and practice) and corporate failure. The research project covered the following four sub-themes: (1) accounting ethics and professional accounting practices in Ghana; (2) the role of accounting ethics, internal controls and personality traits in fraud mitigation; (3) organisational culture, accountants' personality and ethical influence on corporate failure; and (4) the effect of religion, gender and accounting certification on ethical accounting practices. This section of the report presents the demographic characteristics of the study respondents followed by discussion of results of the study with respect to each of the sub-themes delineated.

Demographic Characteristics of Respondents

According to Gaa and Thorne (2004), there is growing interest in both how accountants and accounting students make decisions and how the role of the individual specific factors such as age, gender, education, working experience influence those decisions. Table 1 presents the demographic characteristics of the study respondents.

Table 1: Demographic Characteristics of Respondents

Variable	Frequency	Percent (%)
Gender of Respondents		
Male	270	80.6
Female	65	19.4
	335	**100**
Age of Respondents		
21-30 years	88	26.3
31-40 years	140	41.8
41-50 years	72	21.5
51 years and above	35	10.4
	335	**100**

Highest Level of Academic Education		
WASSCE/SSSCE	3	0.9
Diploma/HND	19	5.7
Bachelor's	128	38.2
Master's	170	50.7
Doctorate	15	4.5
	335	**100**
Years of Professional Body Membership		
1-5 Years	228	68.1
6-10 Years	64	19.1
Above 10 Years	43	12.8
	335	**100**

Source: Field Data (2020)

Gender

Results from the study indicate 80.6 percent representing males and 19.4 percent representing females. Obviously, the accountancy profession is male dominated. However, the differential treatment between females and males stems during childhood and these socialisation differences lead to variations in the perception of ethical compliance (Gilligan, 1982). Some responsibility is perceived to belong to male and female specifically (Scheyvens & Leslie, 2000). That is, males are assumed to be leaders, to be competitive, make final decisions, and challenge others. In contrast, females are also believed to be empathetic, caring, and relationship-oriented. Gender has been identified in several ethical research as one major individual factor that influences the ethical decision-making of professional accountants (Marques & Azevedo-Pereira, 2009; Bommer et al., 1987; McDevitt et al., 2007).

Age

Approximately 70 percent of respondents are 40 years and below. Some psychologists have found that age is highly correlated with ethical development (McNeel, 1994; Thoma, 1986). Older individuals are less likely to be biased (Dahl et al., 1988). Age has been known as one of the most notable demographic factors which influence receiving ethical training (Satakli, 2011). Some authors have also found an inverse relationship between age and ethical behaviour among accountants (Eynon et al., 1996).

Level of education

Table 1 shows that almost all the respondents of this study have a University degree; bachelors and beyond. Accountants have different tendencies of ethical behaviour and responsibility based on education. The ethical demands of the accountancy profession requires some form of higher education to appreciate the ramifications of unethical behaviour. According to Cem and Fatih (2018), ethical behaviour and responsibility are statically significant in explaining the differentiation of accounting ethics based on education. To prevent unethical conduct by raising individual moral awareness and improve moral judgement (either based on compliance or self-governance), and an internal psychological guideline or condition for actual ethical behaviour is to aim and emphasise on the training and education of ethics (Treviño, 1986).

Work Experience

Work experience in this study was measured by years of membership of a professional accountancy body since the focus of the study was to examine the effect of post qualification experience on ethical decision making. Approximately 68 percent of respondents had between 1 and 5 years of experience as professional accountants. Based on most of the evidence, having ethical attitudes towards accounting can be influenced by the process of career experience. O'Leary and Stewart (2007), in finding the effect of work experience on accountants' ethical decision-making, the study found some significant effects between accounting ethical compliance and accountants' experience on the field. The result shows that more experienced accountants and internal auditors expected the adoption of a more ethical stance than less qualified accountants and occasionally assessed inaction as more unethical. These findings indicate a maturity factor, reflecting effective compliance with ethical standards. The minimal years of experience from this study reveals the predominantly youthful age brackets of the respondents.

Sub-Theme 1:

Accounting ethics and professional accounting practice

The problem of what is wrong or correct arises daily. Accounting professionals, accounting graduates, account preparers, accountants preparing to set up professional practice as well as non-practical accountants should behave within the limits of excellent ethical standards. When ethical concerns occur, accountants should be able to efficiently recognize and address certain ethical issues (Fiolleau & Kaplan, 2016). Accounting ethics are critical for the accounting profession because of the fundamental and indispensable role accountants play in business reporting processes, for compliance purposes, or corporate governance purposes (Makhabane, 2015).

This research aims to evaluate the role of accounting ethics in professional accounting practices in Ghana. This is achieved by determining the importance of accounting ethics to qualified accountants. Specific factors that affect accountants' ethical decision-making and describe the ethical challenges that accountants face as they strive to adhere to ethical standards are presented in Table 2.

Table 2: Descriptive statistics on accounting ethics and professional Accounting practices in Ghana

Accounting ethics	Mean	Standard Deviation
Being ethical in making assumptions enhances the quality of accounting judgments.	4.2	0.8
Being objective in applying accounting policies enhances the quality of professional accounting practices.	4.4	0.7
Confidentiality helps to improve accountant-client relationships and build trust among them which is necessary for the profession	4.5	0.7
Ethical values guide professional accounting practitioners to consider public interest during their work.	4.3	0.7
The reputation of the accounting profession is improved when independence is upheld in the accounting practices by the professionals.	4.5	0.7
Adherence to ethical standards helps boost the integrity of financial statements.	4.5	0.6

The quality of disclosure of items in the financial statements is a reflection of compliance with ethical standards	4.1	0.8
Professional accounting practices		
Hiding debts in the financial statement is not harmful if it makes an organisation's books of accounts look good.	1.4	0.8
One should keep bad inventory in the books if it shows good performance.	1.6	1.0
Accountants can understate expenses to show their superiors the profit they want to see.	1.8	1.1
An auditor can talk about his/her findings on audit client with peers.	1.9	1.1
An accountant's requisite knowledge in auditing can justify undertaking an audit of his or her own books of accounts.	2.0	1.2
Like all employees who must earn a living, an accountant should give in to the demands of his or her superiors in order to safeguard their job.	1.8	0.9
Harmlessly going against the laid down regulations should be encouraged if it boosts the organisation's image.	1.8	0.9
Omission of negative accounting information to protect the image of an organisation is harmless.	1.7	0.9
Deflating expenses to show huge profits is a smart way of doing things.	1.4	0.7
Buying back shares for the purpose of showing high earnings per share gives an upper hand.	2.1	1.0
Contingent revenues should be included in the financial statements to increase the revenue shown by the organisation.	1.9	1.0
Sometimes, to make the bottom line look good, we should reclassify some recurring expenses.	1.9	0.9

Source: Field Data (2020)

The mean and standard deviation statistics for the measurement items on accounting ethics reveal that most respondents agree with statements such as being ethical in making assumptions enhances the quality of accounting judgments; being objective in applying accounting policies enhances the quality of professional accounting practices; and confidentiality helps to improve accountant-client relationships and build trust among them which is necessary for the accounting profession. The low mean scores on the professional accounting practices also show the same trend. The measurement items were negatively worded, and respondents mostly disagreed with the statements. In the analysis, the items for professional accounting practices were not reverse coded hence the low mean scores revealing disagreements with the negative statements on professional accounting practices.

The study revealed a significant relationship between accounting ethics and professional accounting practices. The respondents perceived that ethical accounting practices of objectivity, confidentiality, independence and considering the public interest are very relevant to professional accounting practices. Also, the results from the study reveal that being ethical enhances the quality of financial reports and builds user confidence in the financial reports. Ethics also promotes the objectivity and independence of the accountant. Ethics promotes professional behaviour in accountants. Besides, the study revealed that ethical decision-making is also significant in professional accounting practices. Gender and age were also significant determinants of ethical accounting behaviour. Surprisingly, the study revealed that the ethical challenges faced by accountants do not have a significant impact on professional accounting practices. Table 5 depicts a *p-value* greater than 0.05 which rejects the hypothesis that ethical decision making does influence professional accounting practices.

Ethical challenges faced by accountants

Accounting, as a sensitive profession, is faced by many challenges on a day-to-day basis, many challenges push professional accountants to deviate from the principles, concepts, and conventions laid down to ensure fair reporting of transactions. Accounting ethics is an ongoing endeavour to ensure that accountants and the organisations they form live up to fair and firmly based expectations (Gabriel et al., 2017). Accountants tend to behave unethically due to some challenges they are confronted with during their practice. These are perceived by the accountants, and they tend to veer the ethical path to the unethical path. Professional accountants facing ethical dilemmas are always under pressure to compromise their professional ethics.

Most research indicates that some challenges are likely to be faced by accountants in the performance of their duties. Some also emphasis on legal component of ethical dilemmas than a moral element for most pre-professional instruction. Gabriel et al., (2017) also postulate that internal pressure associated with complying with the code of ethics, the capacity of the Code of Ethics to strip individuals of the most significant aspect of personal responsibility for ethical behaviour, and professional accountants under external pressure to show that they recognise their ethical responsibility are the main challenges faced by professional accountants as they make efforts to meet ethical standards.

Professional accountants, however, sometimes suspect activities that are unethical in their decision making, but the price of losing their job gives them no choice. Every ethical dilemma borders upon the unique situation, having its facts and circumstances. In many cases, the ethical course of action, however, is not readily apparent, and this becomes a challenge to the accountant as he or she is not sure of how to go about it. Therefore, the accountant must use judgement in this situation. Greediness and self-interest; pressures from employers; the price of ethical behaviour; lack of clearly defined ethical conduct; poor societal values; lack of complete information, fear of job loss are factors that make ethical compliance a challenge to professional accountants (Charles et al., 2018).

Sub-Theme 2:

Accounting ethics, internal controls, and personality traits in fraud mitigation

It has been suggested that the continuous relevance of ethical standards to the practicing accountant will help address the corporate scandals and improve the current public image of the accounting profession. This is because in all cases it is not the technical competence or excellence of the professional accountants which is in question but their ethical judgment which involves character development through pre- or post-qualification (West, 2017). Ethical dilemmas are a common occurrence in the workplace and originate from a situation where a group or an individual must decide between two options, where the answer is not always black or white.

To address this shortfall, the current study seeks to examine the role of accounting ethics, internal controls, and personality traits in fraud mitigation.

Accounting ethics

Accounting ethics concerns the study of moral values and judgments as they apply to accountancy. It is primarily a field of applied ethics. It was necessitated by the need to address the diverse range of accounting services as well as recent corporate collapses (Jackling, Cooper, Leung, & Dellaportas, 2007). Ethics in accounting is of utmost importance to accounting professionals and those who rely on their services. Generally, the term ethics refers to morals or a code system that strongly offers the criteria for distinguishing between wrong and right (Banerjee & Ercetin, 2014).

Personality traits

It reflects people's characteristics patterns of thoughts, feelings and behaviours. Personality traits imply consistency and stability. They reflect the basic dimension on which people differ (Matthews, Deary, & White man, 2003). According to trait psychologists, there is a limited number of these dimensions (dimensions like extraversion, conscientiousness, or agreeableness), and each individual falls somewhere on each dimension, meaning that they could be low, medium, or high on any specific trait (Sikalieh & Mkoii, 2012).

Internal controls

Internal controls are the mechanisms, rules, and procedures implemented by an entity to ensure the integrity of financial and accounting information, promote accountability, and prevent fraud. Besides complying with rules and regulations and preventing employees from stealing assets or committing fraud, internal controls can help to improve operational efficiency by improving the accuracy and timeliness of financial reporting (Rezaee, 2005).

Fraud mitigation

Fraud mitigation involves establishing procedures and policies to eliminate the opportunities for allowing fraud to occur in an organisation through various activities such as establishing effective internal control, and management not overriding controls (Hooks, Kaplan, Schultz Jr, & Ponemon, 1994).

Potential accounting fraudulent practices: Earnings management and accounting fraud

Healy and Wahlen's (1999) widely accepted definition of earnings management is that: Earnings management occurs when managers use judgment in financial reporting and in structuring transactions to alter financial reports to either mislead some stakeholders about the underlying economic performance of the company or to influence contractual outcomes that depend on reported accounting numbers. Despite the wide acceptance of this definition, it centers on management intent to mislead stakeholders about the economic performance of the company and influence contractual outcomes that depend on reported accounting numbers. Earnings management argues that accounting fraud differs from other frauds in that it is committed usually by management to deceive financial statement users while misappropriation of assets is committed against an entity, most often by employees (Guy & Pany, 1997). Examples include changing the depreciation method from an accelerated method to a more conservative straight-line method and vice versa; changing the useful lives or the estimates of the salvage value of assets; and determining whether and when assets have become impaired, and are required to be reserved against or written off.

The fraud triangle

The conceptual framework for understanding and detecting accounting fraud is the so-called 'Fraud Triangle'. According to that framework, three major drivers underlie most corporate frauds: opportunity, motivation, and rationalisation. Opportunity implies a controlled environment with weak internal controls that can easily be overridden by top management. Motivation relates to individual incentives that put much pressure or emphasis on performance or external pressure to meet earnings or budget expectations. Finally, rationalisation reflects the ability of individuals who are involved in frauds to adopt an attitude that deflects blame or responsibility (example, "it will not hurt anyone; we are so close to making our numbers" or "I am entitled to it because I work very hard") (Ajekwe, & Ibiamke, 2017).

Fraud schemes

Given the variety of fraud schemes used to commit accounting fraud, it is essential to examine the frequencies and patterns of each one to better understand fraud perpetration and consequently, aid in the development of procedures to prevent potential fraudulent actions (Rezaee, 2005). Beasley et al. (2010) analyzed 347 companies involved in SEC fraud investigations between 1998 and 2007. They concluded that improper revenue recognition and asset overstatement were the most used methods in fraudulent misstatements of financial statements whereas understatement of expenses and liabilities occurred less frequently. Improper revenue recognition mainly occurs by creating fictitious revenue transactions or prematurely recording revenues using techniques such as sham sales, conditional sales, premature revenues before all the terms were completed, an improper cut-off of sales, unauthorised shipments and consignment sales. Overstating assets was accomplished primarily through overvaluing existing assets or capitalising items that should be considered expenses.

Fraud indicators

Although fraudulent financial reporting can be uncovered when auditors are suspicious of false accounting or management's lack of clarification concerning transactions and balances, more commonly it is uncovered due to the firm's difficult financial circumstances that may lead to its failure (Brennan & McGrath, 2007). For that reason, academic research has focused on discovering the behavioral characteristics common to fraud firms that may act as indicators for fraud detection and identification. Bell and Carcello (2000) developed a model that estimates the likelihood of financial statement fraud and which can aid auditors in fraud risk assessment. The significant risk factors identified in their model were a weak control environment, rapid growth, inadequate or inconsistent profitability, management's undue emphasis on meeting earnings forecasts, ownership status (public or private) of the company, and managers lying to auditors or being overly evasive. Another method used for fraud detection is financial ratio analysis. Zainudin and Hasmin's research (2016) led them to conclude that financial leverage, asset composition, profitability, and capital turnover are significant predictors of financial statement fraud.

Table 3: Descriptive Statistics [The role of accounting ethics, internal controls and personality traits in fraud mitigation]

Accounting ethics	**Mean**	**Standard Deviation**
Formal and regularly scheduled procedures on accounting ethics help to mitigate accounting fraud.	3.9	0.8
Most organisations provide frequent education on ethical principles at work.	2.8	1.0
Accountants are provided with a helpline when they are faced with an ethical dilemma at work.	2.7	1.0
Most organisations provide code of accounting ethics or similar documents to guide accountants about ethical standards in their work.	3.1	1.0
Organisational culture		
Non-adherence to organizational culture contributes to corporate failure.	3.6	0.9
Regular review of organisational ethical policies leads to achievement of organisational performance.	4.2	0.8
Organisations include ethical compliance measures in performance evaluation	3.5	1.0
Lack of commitment to organisational culture causes corporate failure.	3.7	0.9
Cultural change never translates to organisational performance.	2.4	1.0
Organisational culture influences organisatonal performance.	4.1	0.7
Internal controls		
Effective and close supervision of staff can mitigate the rate of fraud in organisations.	4.2	0.8

Processes are in place to ensure that policy overrides are reported to management.	3.6	0.9
There is a system in place to ensure that duties are rotated periodically.	3.4	1.0
Policies and procedures exist to ensure critical decisions are made with appropriate approval.	4.0	0.8
Codes of conduct or ethics policies exist in the organisation.	3.9	0.8
Policies regarding the importance of internal controls and appropriate conduct are communicated to all staff.	3.7	0.9
Management decisions are made collectively and not controlled by one dominant individual.	3.7	1.0
Management appropriately evaluates the risk of fraud when planning for new activities.	3.7	0.9
Significant internal and external operational, financial, compliance and other risks are identified and assessed on an ongoing basis.	3.7	0.9
Management addresses all ongoing monitoring processes within the organisation's overall operations.	3.7	0.9
Policies, processes and activities related to internal control and fraud mitigation are duly monitored.	3.7	0.9
There are established channels of communications for individuals to report suspected fraud to management.	3.7	1.0
All staff are oriented and understand their role in the control system.	3.6	1.0
Fraud mitigation		
Formal and regularly scheduled procedures on accounting ethics help to mitigate accounting fraud.	3.9	0.8
Most organisations provide frequent education on ethical principles at work.	2.8	1.0
Accountants are provided with a helpline when they are faced with an ethical dilemma at work.	2.7	1.0

Most organisations provide code of accounting ethics or similar documents to guide accountants about ethical standards in their work.	3.1	1.0

Source: Field data (2020)

Among the key components of internal control (control activities, control environment, risk assessment, information, and communication system, and monitoring activities), the results show that control environment and risk assessment are the key determinants in mitigating fraud. While accounting ethics appear not to be significant in mitigating fraud, personality traits is significant in reducing accounting fraud.

The results have implications for practitioners and organisations alike. It will be particularly useful for organisations to understand how they can reduce fraud in their organisation.

Sub-Theme 3:

Organizational culture, accountants' personality and ethical influence on corporate failure

Organisational culture is a guide of corporate ethics. Organisational culture affects the decision-making process of organisations. Hence there is a link between principles of professional ethics and cultural values. This research explores how ethical decisions, ethical codes, consistency of such codes, and the efficacy of ethical behaviours affect organizational cultures. Two main elements of corporate ethics programs are an explicit component and an implicit component. The explicit part includes corporate ethics guidelines, policy manuals, ethical management decisions, and workplace ethics behaviours. Implicit elements, on the other hand, include corporate culture, valued habits and management behaviours.

According to Hofstede (2001), organizational culture refers to the collective and distinguishing patterns of perspective one group has over the other. It is the way of life and how the business does things. Personality is the existence and the state you are in as an accountant. Thus, the perception, values, traits and attributes which determine the unique responses and contribution of accounting to the company both internally and externally (Reed, Kratchman, & Strawser, 1994). Corporate failure is the inability of a corporate organization to fulfill set goals and objectives and accomplish its mission and vision. Inability to conform to their strategies in other to achieve their social-economic legal, financial objectives, environmental obligations (Parker, Peters, & Turetsky, 2002).

Influence of organisational culture on corporate failure

Organizational culture is an important determinant factor for organizational performance (O'Reilly et al., 2014). Childress (2013) also noted that organisational culture does affect organizational performance positively or negatively. According to research, organizational performance is the capacity to execute tasks in an organization by its members.

Berg and Wilderom (2012) identified five factors to measure the impact of organizational culture on organization performance. The factors include employee empowerment, external emphasis, interdepartmental collaboration, human resource orientation, and the performance improvement tendency. From the above statements, it can be inferred that organizational culture has an effect on corporate performance which is a major determinant of corporate failure depending on how strong or weak the organizational culture is.

Influence of accountants' personality on corporate failure

Saadulah and Bailey (2014) found that personality traits influence the tendency of accountant attitudes in the face of ethical dilemmas.

Auditors are expected to give an opinion on the truth and fairness of the financial statements. Their personality trait plays a major role in the judgement that he or she will give. From the studies above, we can infer that the personality of the accountant influences corporate failure. An accounting scandal or corporate fraud deemed to have been committed and globally, when financial inappropriate or corporate failure occurred, the auditors and accountants are being accused of either guilt of professional negligence of due care, unethical practice and compromise or collusion this has been seen in many cases, for example, Enron, WorldCom, Lever Brothers Nigeria, Cadbury and a host of others (Salisu, 2007).

Table 4: Descriptive Statistics [Organisational culture, accountants' personality and ethical influence on corporate failure]

Organisational Culture	**Mean**	**Standard Deviation**
Non-adherence to organizational culture contributes to corporate failure.	3.6	0.9
Lack of commitment to organisational culture causes corporate failure.	3.7	0.9
Cultural change never translates to organisational performance.	2.4	1.0
Organisational culture influences organisatonal performance.	4.1	0.7
Accountants' Personality		
Accountants are interested in developing themselves through workshops and seminars.	4.0	0.8
Accountants are willing to disclose all material facts in the financial statements to intended users.	3.6	1.0
It is normal to receive a gift from a client after rendering a service as a form of appreciation from the client.	2.3	1.0
Personal judgement in all respects is preferred to adherence to codes of conducts.	2.4	1.2

Certain circumstances may validate the appropriateness of considering personal interest than exhibiting ethical principles.	2.5	1.2
It is advisable to unilaterally decide what is wrong or right than to consult accounting ethical principles.	1.9	1.0
In order to succeed in any organization, it is often necessary to compromise one's ethical stance.	1.9	1.1
Relationship between the accountant and management can be a threat to the accountant's independence.	3.6	1.1
Ethical Influence		
Disregard for ethical issues affects board effectiveness.	4.5	0.7
Pressure from management to disregard ethics affects the firm's performance	4.3	0.8
Regular review of organisational ethical policies leads to achievement of organisational performance.	4.2	0.8
Organisations include ethical compliance measures in performance evaluation.	3.5	1.0
Corporate Failure		
Conflict of interest causes corporate failure.	4.3	0.8
Negligence on the part of accountants can lead to corporate failure.	4.2	1.0
Ethical practices are important in the avoidance of corporate failure.	4.4	0.8
Lack of ethical compliance by professional accountants contributes to corporate failures.	4.3	0.8
Lack of accountability for ethical issues causes corporate failure.	4.1	0.7

Source: Field data (2020)

At the end of the study, we found out that accounting ethics, organisational culture and accountants' personality, to a large extent, affect corporate failure, howbeit with different effect size.

The effect of organisational culture on corporate failure is greater than the effects of accounting ethics and accountant's personality on corporate failure. In other words, there is a significant effect of organisational culture, accountant's personality and accounting ethics on corporate failure but the effect sizes of each of the independent variables differ.

Sub-Theme 4:

Effects of religion, gender and accounting certification on ethical accounting practices

Religious people may tend to rely on their religious values and doctrines to make judgements as to how to behave ethically in their accounting practices. Religion can be said to influence the accountant's response to ethical dilemmas and consequently his or her behaviour in accounting practice. Some believe that ethics, concerning accountants, are learned in their academic certification process. By academic certification, we are looking at both the tertiary education and their professional qualifications such as ICAG or ACCA. Education is assumed to cause a change in the individual. This change takes place in the form of perception, conception, understanding and reaction. A study by Peterson *et al*. (2001) found that some people are of the view that gender is an underlying factor when it comes to ethical accounting practices. Males and females are said to respond differently when posed with ethical issues, as well as in their attitude and values and this is attributed to the sort of socialisation the individual goes through (Boateng & Agyapong, 2017).

Religion and ethical behaviour

Religion refers to the belief in other supernatural beings (Gunn, 2003). Religion in ethics is the reliance on a/the Supreme Being to set standards as to what is right and what is not. Thus, the source of the ethical beliefs that translate into ethical practices is a Supreme Being (Goodwin et al, 2010). Followers of the various religions believe that the Supreme Being provides ethical standards for them through written commandments and as such, one must follow these standards to be right with the Supreme Being (Brammer et al, 2007).

Gender and ethical behaviour

Ethical behaviours are to some extent influenced by gender and its related issues (Perry et al, 2002). There are prior studies on gender, its related issues and also its impact on accountants' ethical behaviour (McCabe *et al.*, 2006). These previous studies gave various perspectives on the impact of being a male or a female on an accountant ethical behaviour (Carnegie, 2012). Gender could be a characteristic that is socially and culturally linked to men and girls. Women are more ethical than men, based upon (Gillian, 1982).

Accounting certification and ethical behaviour

Accounting certification has to do with validating the authenticity of the process of providing the information useful for users to make economic decisions. Accounting certification helps to enforce professional standards in the accounting industry. Numerous accountants want further acknowledgment of their progressing proficient information and wish to cut out specialisation specialties by acquiring proficient accreditations, some of which might be required to go about their duties as accountants. The educational systems both academic and professional have attempted to include ethics into their syllabi. Individual professional bodies and academic institutions have included some courses that address issues of ethics in their curriculum. The issue up for discussion has to do with whether or not this influences the ethical accounting behaviour of accountants. Academic education, if accompanied by some form of professional training tends to produce accountants who are ethical and would be able to make ethical choices in their line of work.

Table 5: Summary Statistics on Gender, Membership of a Professional Body, Years of Professional Membership and Religious Denomination

Variable		Frequency	Percent (%)
Gender of Respondents			
	Male	270	80.6
	Female	65	19.4
		335	**100**
Membership of Professional Body			
	No Professional Body	34	10.1
	Only One Professional Body	250	74.6
	Two Professional Bodies	43	12.8
	Three Professional Bodies	8	2.4
		335	**100**
Years of Professional Body Membership			
	1-5 Years	228	68.1
	6-10 Years	64	19.1
	Above 10 Years	43	12.8
		335	**100**
Religious Denomination			
	Christian	300	89.6
	Muslim	31	9.3
	Others	4	1.2

	335	**100**

Source: Field data (2020)

Results obtained from the study reveal 80.6% for males and 19.4% for females. Again, we had accountants between the ages of 31 to 45 predominantly compared to other age groups. Findings relating to religion, revealed 300 Christians that is 89.6%, 31 practice Islam that is 9.3%, and four respondents for other religions representing about one percent. We found that most of the respondents belong to a professional body, and further realised some belonged to more than one professional body.

The results of this study show gender does not influence ethical behaviour, contrary to the literature assertion that females are more ethical than males. Religion also does not affect ethical behaviour. However, religious practices such as frequent visit to the place of worship does have some influence on ethical behaviour. This may indicate that, though the person may be religious, the number of times he or she visits the place of worship and follow religious teachings, doctrines, faith imbibes some kind of moral values in him or her, which influences his or her ethical behaviour. Moreover, the study showed that belonging to more than one professional body does not affect the ethical behaviour of accountants. Rather, belonging to one professional body does influence the ethical behaviour of accountants. This may be due to adherence to code of conduct in a professional body which may not be practiced or stated in another professional body and may conflict with the interest of the accountant, hence may not have any influence in general terms.

When it comes to the effect of religion on ethical accounting practices the results appear interesting. Belonging to any of the two major religious belief systems, Christianity and Islam, has no effect on how an individual behaves in an ethical situation. This is to say that merely belonging to any of these religions does not necessarily affect one's ethical behaviour as an accountant. We found out that those who participated in religious activities and those who did not all had a form of behaving ethically when faced with ethical issues. However, those who actively participated in religious activities showed some form of influence on their ethical accounting practices. This implied that although the non-participating group had a form of ethical disposition, the religious activity still had a much greater influence on the individual. As such, we could say to an extent religion has some level of influence on the individual accountant.

CONCLUSION AND RECOMMENDATIONS

This study has revealed that the critical ethical issues contributing to recent corporate failures include conflict of interest; insider dealings, disregard for good corporate governance and failure of oversight bodies, including auditors and accountants not playing their much needed watchdog roles; pursuit of personal interest by corporate management as against corporate interest; board chairs interfering in day-to-day management of institutions and ordering management to undertake or make certain transactions in their favour; lack of independent accountability institution to punish culprits on violations; professional accountants failing to disclose related party transaction leading to creative financial reporting; pressure from superiors to accountants to bend financial practice procedures to ease operations flows and makes financial statements look good; decayed integrity; and failure of supervisory bodies to promptly crack the whip.

The study analysed the accounting ethics and professional accounting practices in Ghana to confirm the relevance of ethical accounting practices, ethical decision-making and ethical challenges in professional accounting practices. The results obtained from this study are sufficient to conclude that ethical accounting practices and ethical decision making are relevant in professional accounting practices. The study will assist entities to ensure their controls are working and professional bodies to also ensure their members are abiding by the laid down codes of conduct and not being complacent. If necessary, a review of these codes of conduct should be done and there should be a system to ensure their members are abreast of the new changes. Our research brings to the notice of all and sundry that discrimination at the workplace on the basis of religious affiliations are of no good. There is no need necessarily classifying one group as ethical and the other group as not. Per our research, there is nothing as such and so all should be treated equally.

Based on the findings and conclusion from this study, we submit the following recommendations:

1. There must be clearly documented and enforceable code of ethics in all organisations.
2. Ethical principles must be aligned with organisational culture and structure.
3. Procedures to identify and deal with issues of ethical misconduct must be specified.
4. Organisations should continuously orient their employees on the organisational culture.

5. Continuous training and education on the need to adhere to accounting ethics and principles.
6. Severe sanctions should be applied for unethical accounting practices.
7. Professional accountancy bodies should provide financial insurance cover for accountants who lose their jobs as a result of strong adherence to ethical standards.
8. Continuous and effective monitoring and supervision by strong independent regulators.
9. Punishment in the form of revocation of license and loss of membership/suspension of certificate should be instituted and enforceable.
10. Regulators should establish effective widely known whistle-blower lines, which can be trusted to provide anonymity.
11. Guided by the ethical standards of their profession, professional accountants must demonstrate commitment to ethical principles and personal values.
12. Independent ethics body should be established in organisation.
13. The professional accountancy body should come out with policies that would protect the job of accountants in applying the code of conducts.
14. Organisations should adhere to strict adherence to good corporate governance practices, effective internal controls, regular review of controls, functional internal audit units, and their reports should be acted upon.
15. Professional accountancy bodies should advocate professionalism in the practice of accounting.
16. Political party affiliations especially by accountants in the public sector should be strongly discouraged.
17. Professional accountancy bodies should advocate for adequate remuneration for professional accountants.
18. Reported financial breaches should be seriously investigated and outcomes should enforced and made public.
19. The presence and national mandate of ICAG should be strengthened.
20. There should be regular profiling of the ethical behaviour of accountants by reviewing their activities and personal value system.

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APPENDIX

QUESTIONNAIRE

INSTITUTE OF CHARTERED ACCOUNTANTS – GHANA [ICAG]

ACCOUNTANCY HOUSE
ACCRA

Survey on Professional Accountancy and Ethics Failure

Dear Sir/Madam,
This research is about **professional accountancy and ethics failure.** The focus of the study is to determine the factors that drive or constrain the role of ethics in professional accountancy (training and practice) and corporate failure. Any responses provided will be used solely for academic purposes under strict adherence to the ethics of confidentiality and anonymity. Your voluntary participation will be highly appreciated. Thank you.

Section A: Ethical issues and corporate failure.

Please indicate, using the following scale, the extent to which you agree with the statement that suggests that ethical issues influence corporate failure:

1= Strongly disagree; 2= Disagree; 3= Neutral/Uncertain; 4= Agree; 5= Strongly agree

	Ethical issue	**1**	**2**	**3**	**4**	**5**
A1	Conflict of interest causes corporate failure.					
A2	Disregard for ethical issues affects board effectiveness.					
A3	Pressure from management to disregard ethics affects the firm's performance.					
A4	Ethical practices are important in the avoidance of corporate failure.					
A5	Lack of ethical compliance by professional accountants contributes to corporate failures.					
A6	Lack of accountability for ethical issues causes corporate failure.					

A7. In your opinion, what are the most urgent ethical issues in recent corporate failures?

A8. In your opinion, how adequate is the accountancy training, teaching and learning methods in avoiding ethical failures?

A9. In your opinion, do all ethical failures result to corporate failures? Kindly Elaborate.

Section B: Organisational culture and corporate failure

Please indicate, using the following scale, the extent to which you agree with the statement that suggests that organisational culture influences corporate failure:

1= Strongly disagree; 2= Disagree; 3= Neutral/Uncertain; 4= Agree; 5= Strongly agree

	Organisational culture	**1**	**2**	**3**	**4**	**5**
B1	Non-adherence to corporate philosophies contributes to corporate failure.					

B2	Regular review of organisational ethical policies leads to achievement of organisational performance.					
B3	Organisations include ethical compliance measures in performance evaluation.					
B4	Lack of commitment to organisational culture causes corporate failure.					
B5	Cultural change never translates to organisational performance.					
B6	Organisational culture influences organisational performance.					

B7. In your opinion, what are the main challenges and common elements to creating effective organisational culture?

B8. Provide an instance where the answer stated in B7 contributed to avoiding corporate failure.

Section C: The Accountant's personality and corporate failure.

Please indicate, using the following scale, the extent to which you agree with the statement that suggests an accountant's personality influences corporate failure:

1= Strongly disagree; 2= Disagree; 3= Neutral/Uncertain; 4= Agree; 5= Strongly agree

	The Accountant's personality	**1**	**2**	**3**	**4**	**5**
C1	Accountants are interested in developing themselves through workshops and seminars.					
C2	Accountants are willing to disclose all material facts in the financial statements to intended users.					
C3	It is normal to receive a gift from a client after rendering a service as a form of appreciation from the client.					
C4	Personal judgement in all respects is preferred to adherence to codes of conducts					
C5	Certain circumstances may validate the appropriateness of considering personal interest than exhibiting ethical principles.					

C6	It is advisable to unilaterally decide what is wrong or right than to consult accounting ethical principles.					
C7	In order to succeed in any organisation, it is often necessary to compromise one's ethical stance.					
C8	Relationship between the accountant and management can be a threat to the accountant's independence.					
C9	Negligence on the part of accountants can lead to corporate failure.					

C10. What is your personal view on the effect of an accountant's personality on corporate failure?

C11. In your opinion, what ethical dilemmas can make an accountant compromise his or her integrity?

Section D: The relevance of accounting ethics in professional accounting practice

Please indicate, using the following scale, the extent to which you agree with the statement that relates to the relevance of accounting ethics in accounting practice:

1 = Strongly Disagree, 2 = Disagree 3 = Uncertain/Neutral 4 = Agree 5 = Strongly Agree

	Ethical accounting practices	**1**	**2**	**3**	**4**	**5**
D1	Being ethical in making assumptions enhances the quality of accounting judgments.					
D2	Being objective in applying accounting policies enhances the quality of professional accounting practices.					
D3	Confidentiality helps to improve accountant - client relationships and build trust among them which is necessary for the profession.					
D4	Ethical values guide professional accounting practitioners to consider public interest during their work.					
D5	The reputation of the accounting profession is improved when independence is upheld in the accounting practices by the professionals.					

D6	Adherence to ethical standards helps boost the integrity of financial statements.					
D7	The quality of disclosure of items in the financial statements is a reflection of compliance with ethical standards.					

D8. In your opinion, what is the relevance of accounting ethics in professional accounting practice?

Section E: Factors that influence the ethical decision making of professional accountants

Please indicate, using the following scale, the extent to which you agree with the statement that suggests factors that influence professional accountants' ethical decision making:

1 = Strongly disagree; 2 = Disagree; 3 = Uncertain/Neutral; 4 = Agree; 5 = Strongly agree

	Demography of Accountants in Ethical Decision Making	**1**	**2**	**3**	**4**	**5**
E1	One's gender makes a difference when taking ethical decisions at work.					
E2	The age of an accountant matters in making ethical decisions.					
E3	The education (academic/ professional) of an accountant impact their ethical decision making.					
E4	The work experience of an accountant impacts their ethical decision making.					
E5	The code of professional accounting ethics influences accountants' decision making.					

E6. In your opinion, what other demographic factors influence ethical decision making in professional accountancy (training and practice)?

Section F: Ethical challenges faced by accountants as they strive to adhere to ethical standards

Please indicate, using the following scale, the extent to which you agree with the statement that suggests ethical challenges faced by accountants as they strive to adhere to ethical standards:

1 = Strongly disagree; 2 = Disagree; 3 = Uncertain or Neutral; 4 = Agree; 5 = Strongly agree

	Ethical Challenges	**1**	**2**	**3**	**4**	**5**
F1	Ethical compliance is inadequately rewarded.					
F2	Compliance to accounting ethics puts internal pressure on accountants to follow codes of professional conduct.					
F3	Accounting ethics cause professional accountants to be under external pressure to show that they acknowledge their ethical responsibility.					
F4	Accounting code of ethics does not specify when a particular ethical decision should be taken.					
F5	Top management directives influence ethical compliance.					

F6. What actions should be taken to avert or reduce unethical accounting practices?

Section G: Impact of accounting ethics in the mitigation of accounting fraud

Please indicate, using the following scale, the extent to which you agree or disagree with the following statements relating to the impact of accounting ethics on fraud mitigation:

1= Strongly disagree; 2= Disagree; 3= Neutral/Uncertain; 4= Agree; 5= Strongly agree

	Accounting ethics and fraud mitigation	**1**	**2**	**3**	**4**	**5**
G1	Formal and regularly scheduled procedures on accounting ethics help to mitigate accounting fraud.					
G2	Most organisations provide frequent education on ethical principles at work.					
G3	Accountants are provided with a helpline when they are faced with ethical dilemma at work.					
G4	Most organisations provide code of accounting ethics or similar documents to guide accountants about ethical standards in their work.					

G5. In your view, what measures should be put in place by top management of an orgnaisation to orient accountants on how to maintain ethical standards in order to mitigate fraud?

Section H: Adequacy of internal controls in accounting fraud mitigation

Please indicate, using the following scale, the extent to which you agree or disagree with the following statement relating to the effectiveness of internal control systems in the mitigation of accounting fraud:

1= Strongly disagree; 2= Disagree; 3= Neutral/Uncertain; 4= Agree; 5= Strongly agree

	Internal control components	**1**	**2**	**3**	**4**	**5**
	A. Control Activities					
HA1	Effective and close supervision of staff can mitigate the rate of fraud in organisations.					
HA2	Processes are in place to ensure that all policy overrides are reported to management.					
HA3	There is a system in place to ensure that duties are rotated periodically.					
HA4	Policies and procedures exist to ensure critical decisions are made with appropriate approval.					
	B. Control Environment					
HB1	Codes of conduct or ethics policies exist in the organisation.					
HB2	Policies regarding the importance of internal controls and appropriate conduct are communicated to all staff.					
HB3	Management decisions are made collectively and not controlled by one dominant individual.					
	C. Risk Assessment					
HC1	Management appropriately evaluates risk of fraud when planning for new activities.					

HC2	Significant internal and external operational, financial, compliance and other risks are identified and assessed on an ongoing basis.					
	D. Monitoring					
HD1	Management addresses all ongoing monitoring processes within the organisation's overall operations.					
HD2	Policies, processes and activities related to internal control and fraud mitigation are duly monitored.					
	E. Information and communication system					
HE1	There are established channels of communications for individuals to report suspected fraud to management.					
HE2	All staff are oriented and understand their role in the control system.					

Section I: Prevalence and forms of unethical behaviour among accounting professionals

I1. Have you ever experienced unethical behaviour among accountants? Yes [ ] No [ ]

I2. How often do these unethical behaviour occur? Very Often [ ] Often [ ] Less Often [ ] Not at all [ ]

I3. Can you describe some common forms of unethical behaviour among accountants?

I4. Have you ever been forced to participate in an unethical behaviour in your professional life?
Yes [ ] No [ ]

I5. Can you describe any unethical behaviour you have experienced in your professional accountancy career?

Section J: Perspectives on ethical accounting practices

Please indicate the extent to which you agree with the statement that suggests an accountant's engagement in ethical accounting practices, using the following scale:

1 = Strongly disagree; 2 = Disagree; 3 = Uncertain; 4 = Agree; 5 = Strongly agree

	Perspectives on ethical accounting practices	**1**	**2**	**3**	**4**	**5**
J1	Hiding debts in the financial statement is not harmful if it makes an organisation's books of accounts look good.					
J2	One should keep bad inventory in the books if it shows good performance.					
J3	Accountants can understate expenses to show their superiors the profit they want to see.					
J4	An auditor can talk about his/her findings on audit client with peers.					
J5	An accountant's requisite knowledge in auditing can justify undertaking an audit of his or her own books of accounts.					
J6	Like all employees who must earn a living, an accountant should give in to the demands of his or her superiors in order to safe guard their job.					
J7	Harmlessly going against the laid down regulations should be encouraged if it boosts the organisation's image.					
J8	Omission of negative accounting information to protect the image of an organisation is harmless.					
J9	Deflating expenses to show huge profits is a smart way of doing things.					
J10	Buying back shares for the purpose of showing high earnings per share gives an upper hand.					
J11	Contingent revenues should be included in the financial statements to increase the revenue shown by the organisation.					
J12	Sometimes, to make the bottom line look good, we should reclassify some recurring expenses.					

J13. What actions should be taken to avert or reduce unethical accounting practices?

J14. How best should accounting ethics education be delivered through accountancy training and practice?

Section K: Socio-Demographics

K1. Gender: Male [ ] Female [ ]

K2. Age: 21-30 [ ] 31-40 [ ] 41-50 [ ] 51 and above [ ]

K3. Which region do you normally reside in Ghana?

K4. Membership of professional bodies: ICAG [ ] ACCA [ ] Other

K5. Type of employment sector: Public sector [ ] Private Sector [ ] Other

K6. Highest level of academic education:

K7. How many years have you been a member of a professional accounting body? 1-5 years [ ] 6 – 10 years [ ] Above 10 years [ ]

K8. Does your work necessarily require you to be a member of a professional body? Yes [ ] No [ ]

K9. Religious denomination: Catholic [ ] Protestant [ ] Pentecostal/Charismatic [ ] Muslim - Sunni [ ] Muslim - Shia [ ] Muslim - Ahmadiyya [ ] Others

K10. How frequently do you attend your place of worship? None [ ] Once a week [ ] More than once a week [ ] Occasionally [ ] Others

K11. Are you actively involved in any religious activity/ministry? Yes [ ] Occasionally [ ] No [ ]

Thank you

very much for your time and participation.

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