



**"MORAL STANDARDS IN FINANCIAL REPORTING: A BIBLICAL TEXTUAL SUASION"**

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**ABSTRACT**

*This study examines the significance of moral standards in financial reporting, in the integration of the professional and Bible texts. Moral standards set the stage for professional accountants in ensuring transparency, accountability, credibility and reliability of financial reporting. However, due to the cases of fraud and immoral practices, the reliability and credibility of the financial reports have reduced. This has given rise to the questioning of the authenticity of the accounting profession. The methodology of the study was of a qualitative design. The sources of textual data were elicited from the Bible (primary) and accounting literature (secondary). The study found that moral standards in the accounting profession provided objective structure that constrained accountants to produce reliable financial reports. Further, the concept of moral standards and their values such as love, honesty, stewardship and so on correlate with professional principles, practice, and reporting in accounting. This study concluded that integrating moral standards with professional accounting and reporting, improved and standardized the financial reports.*

**Keywords: Moral Standards, Financial Reporting and Textual suasion.**

**INTRODUCTION**

Moral standards are core principles that guide professional conduct in every field of study, particularly in financial reporting. Different accounting bodies adopt these rules and

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principles to prevent accountants from misusing financial information in their reports. The accounting profession plays a vital role in reporting financial statements, making decisions as well as maintaining stakeholders' confidence. The accounting moral standards consists of integrity, objectivity, competence, confidentiality, and professional behavior of the accountants (Edi & Enzelin, 2022). Confidentiality mandates that all accountants must not disclose financial information to third parties, integrity informs that accountants must be honest in financial dealings and professional competence requires accountants to be well knowledgeable and experienced with their assignments.

Moral standards are important in accounting because they ensure transparency and reliability in financial reporting (Edi & Enzelin, 2022). They boost investor confidence, public reliability and prevent fraud. Accounting requires high level of trust and integrity; therefore, accountants must adhere to moral standards and principles (Hillstone 2024). Maintaining the integrity and reliability of financial reporting, also ensuring shareholders have full trust in financial statements relies heavily on accounting morals (Ikechi et al., 2025).

According to Ariail et al., (2025), the accounting profession must have confidence from the public. This confidence is gained from the belief that accountants are morally sound and that they are trustworthy in their transactions, records, reporting, and disclosures. However, the rapid increase in immoral behavior among accounting professionals has raised concerns about the credibility of the profession (Ariail et al., 2025). The corporate scandals which shook the business world involving Enron, Cadbury Nigeria, WorldCom, Global Crossing, and other notable companies have installed a spotlight on accounting failures (Cofee 2002), making the confidence that the public has on the financial statements to become low (Arowoshegbe et al 2017).

From a Christian perspective, integrity and ethics becomes moral standards that guide professional practices. The Bible teaches stewardship, honesty, and faithfulness which grounds the accounting moral standards (Hans, 2024). Thus, incorporating biblical values into the professional accounting enhances accountants' moral standards and encourage reliable financial procedures, reporting and goodwill (Ante & Sutrisno, 2025). Moral standards make financial reports to be dependable and valid. (Promise and Daniel, 2025). These imply accuracy, honesty, transparency, and accountability that are essential for decision making. Arowoshegbe et al., (2017), explain that moral standards in accounting professional practice, will drastically improve the financial reporting quality. When an accountant adheres to moral standards, they are likely to prepare financial reports with utmost honesty and transparency thereby preventing any form of fraud or manipulation in the process (Locke, et al., 2021).

The methodology of the study is of a qualitative design. The sources of data are elicited from the Bible (primary) and ethical literature (secondary). The data are textual, which are used to synthesize the integration of moral standards and financial reporting. The findings are derived from the syntheses and contents of the combination of the two main variables.

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The full work consists of the concept of moral standards in financial reporting. Challenges in financial reporting. Textual suasion in financial reporting and Conclusion.

**CONCEPT OF MORAL STANDARDS IN FINANCIAL REPORTING**

Moral standards in accounting are mainly known as applied ethics, (Jejenywa, 2024) which consist of judgements, principles, values and how they apply in accountancy and financial reporting (Jaijairam, 2017). Moral standards guide behavior, human discipline, and characteristics (Ikechi et al.,2025). According to Jaijairam (2017), morality is the scale that determines issues related to good and evil; right and wrong. Without moral standards, there is no way to measure what is right and what is not. Hence, they are used to investigate human behavior. The importance of professional moral standards is to encourage a sense of social responsibility among the membership of the accounting (Arowoshegbe et al., 2017). With moral standards in place, they ensure that financial reports are correct and the methods used are open and honest.

Moral standards stand as fundamental pillars of modern economic system, they also serve as the guides for investment decisions, compliance with regulatory rules and organizational governance (Moore et al., 2023). Without moral standards, there will hardly be ways of keeping to accounting principles. Furthermore, Boyd et al., (2017) explains that supportive environment built on moral standards and comprehensive approach to decision making are both important for maintaining integrity in accounting profession and in financial reports. This implies dedication to transparency, honesty, accuracy, and adherence to professional standards in financial reporting. As today's information system relies more on automated technology, moral standards are becoming more important in this technology driven era (Kurniawan et al., 2025) than they were earlier. According to Arowoshegbe et al. (2017), the discussion about moral standards has been long talked about in all study and works of life. In the case of accounting the application of moral standards is the bedrock of the profession, and they make accountancy a noble profession.

As a professional body, the financial reports of accountants are prepared based on specified moral standards, referred to as fundamental principles. INTEGRITY: Integrity is the quality of a person's traits or characteristics that show consistently how their behaviors, values, steps, measures, principles, hopes to be guided, and results are all consistent (Ikechi et al.,2025). The concept of integrity relates to honesty, truthfulness, and fair dealings (Adegbite & Adeoye, 2022). The principle of integrity enforces a responsibility on all professional accountant to be honest and truthful in all their business transactions (Arowoshegbe et al.,2025) and reporting. The integrity of an accountant and the reliability of the financial information prepared by the organization require no manipulation of financial information. Standards are

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especially relevant for accountants because their job requires a combination of morals, and ethical knowledge (Edi & Enzelin, 2022).

**OBJECTIVITY:** The principle of objectivity imposes a responsibility on professional accountants not to compromise their professional or business judgment because of bias, conflict of interest or the undue influence of others to override professional or business judgments (Arowoshegbe et al.,2025). The principle of objectivity emphasizes that accountants should act with professionalism and maintain unbiased and easily influenced judgments and actions from other parties (Edi & Enzelin, 2022). To ensure that the financial report is impartial, accountants should maintain objectivity and should steer clear of shareholder influence and personal biases. If these are considered, financial report users' decisions may be affected by misstatements resulting from a lack of objectivity (Ikechi et al.,2025).

**PROFESSIONAL COMPETENCE AND DUE CARE:** A professional accountant has a continuing duty to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation, and techniques. A professional accountant should act diligently and in accordance with applicable technical and professional standards when providing professional services. To deliver high-quality services, a professional accountant must maintain and advance their professional knowledge and abilities (Ikechi et al.,2025). Arowoshegbe et al., (2025), explain that there are two phases to professional competence, (attainment of profession competence and maintenance of professional competence). The maintenance of professional competence requires that a professional accountant should be aware of the technical professional and business developments.

**CONFIDENTIALITY:** A professional accountant should respect the confidentiality of information obtained as result of business and professional activities and must not disclose such information to third party unless there is a legal right to disclose (Arowoshegbe et al.,2025). A professional accountant must maintain the confidentiality of the client even though at the time of performing the duties it is possible to get pressure and encouragement from other parties to obtain this information (Edi & Enzelin, 2022). Because maintaining confidentiality ensures the safeguarding of private financial and corporate data while doing official duty (Ikechi et al., 2025).

**PROFESSIONAL BEHAVIOR:** The principle of professionalism means the responsibility that is imposed and move beyond the obligations that simply comply with the laws and regulations of society besides being the main requirement for a professional accountant (Edi & Enzelin, 2022). A professional accountant is expected to abstain from any behavior that could affect the integrity of the profession (Ikechi et al.,2025).

## **MORAL CHALLENGES IN FINANCIAL REPORTING**

The accounting profession is part of the important element in the finance world and global business, and moral standards are needed to ensure the integrity of the financial reports used by various stakeholders such as the government and investors (Siregar, 2025). This need has been affirmed by the collapse of several companies due to high profile fraud in the last two decades. According to (Olaoye,2024), there are several challenges that hinder the implementation of moral standards in the accounting profession. Some of these challenges include ethical dilemmas, corruption, conflicts of interest, inadequate whistleblower protections, lack of regulatory oversight, digital technological risks, training, and capacity building, strengthening regulatory frameworks and cultural change among others (Okougbo et al., 2021). This means that professional accountants often face pressure to manipulate financial data to meet organizational targets or satisfy client demands. This hinders their ability to maintain objectivity and uphold moral standards. The development of digital technologies has brought about huge changes in accounting practice, and these changes have improved the efficiency and accuracy of reporting. However, complex moral challenges become evident, which include issues like accountability, transparency, data integrity and so on (Lutfia, 2022).

The recent development in digital technologies such as automated and artificial intelligence (AI) has changed the way accounting practice functions. Even as these technologies offer efficiency, they also involve significant risk to the practitioner's decision. When the data generated by the automated system is inaccurate, the financial report will not reflect true circumstances. Therefore, making it a serious problem for stakeholders who rely on financial reports to make decisions. (Lutfia, 2022). One of the most important issues in the accounting profession influenced by technology is Transparency. When cloud-based software is used, it makes the tracking of data to be difficult as well as the changes that occur in the audit data resulting in doubts about the accountability of the data especially when its results lead to fraud and error (Lutfia, 2022). If stakeholders cannot fully understand the processes and data used, their trust in the financial statements will not be firm and calculated. Accounting professionals must ensure that every step in the accounting process is auditable, clearly traceable, and easy to understand. This includes proper disclosure of how technology is used and how data is processed because with high level of transparency, stakeholders can feel more secure about the accuracy of the information they receive. (Lutfia, 2022).

Most accountants do not fully understand the moral implications of the technologies they use. Their lack of understanding can lead to unethical practices, where decisions are made without considering the future consequences (Lutfia,2022). Therefore, it is important for organizations to provide adequate educational resources and training for practitioners, including training on the ethical impact of technology use. Professional community should also

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engage in broader discussions on ethics in technology. Forums and seminars can be a platform to share and discuss experience, challenges, and seek solutions together (Lutfia, 2022). These challenges require a professional accountant to exercise serious moral standards and judgement and maintain high quality integrity while performing their professional tasks or duties.

**TEXTUAL SUASION IN FINANCIAL REPORTING**

Bible doctrines provide a strong moral foundation in this study. It highlights fairness, transparency, and honesty in all parts of life. Proverb 11:1 "A false balance is abomination to the Lord, but a just weight is his delight." This verse means that God dislike dishonesty, which directly relates that the financial reporting in accounting must be accurate. The financial report should reflect the true and fair transactions, records, receipts, payments, assets, and liabilities of the organization. When in a financial report, an accountant misrepresents financial information, though the person may become wealthy on account of the padding, but he or she becomes detestable to God.

Luke 16:10 teaches that "he who is faithful in little his also faithful in much." This explains that a professional accountant who oversees financial information should have integrity in handling even the smallest transactions. Fraudulent intentions start small. If an accountant is careful in the management of the *kobos*, then the person is qualified to take care of the *nairas* and larger amounts that pass through his or her schedule. Small experiences and tests are very relevant for the development of character. Nothing is small when it comes to duplicity and manipulation of figures to present a financial report. In an ideal organization, an accountant who is unable to overcome petty fraud disqualifies himself or herself from higher accounting appointments and trusts. The relationship is direct, small trusts beget big trusts. (White, 1890)

Furthermore, 1 Corinthians 4:2 states that "moreover it is required in stewards, that a man be found faithful". This reflects the principle of stewardship, where an accountant is given the responsibility to manage financial resources which do not belong to the person. The idea of faithfulness in financial reporting means that the accountant is trustworthy, and worthy of further trusts. The stewardship intended here is not only temporal, but eternal. Hence, an accountant who reports financial statements based on specified moral standards will be rewarded twice.

## CONCLUSION

Moral standards are very important for the accounting profession. This is because they help to reflect on and maintain obedience and commitment to financial reports. In accounting, moral behavior results in transparency, honesty, accountability and lastly trust which are necessary for good financial management and reporting. Based on moral standards, accountants are required to: function as role models of moral standards, Say No to fraudulent act, be honest when reporting the financial transactions, act in accordance with the accounting code of conduct, be accountable when overseeing financial resources. By applying moral standards, professional accountants will contribute more to a truthful financial system and act in accordance with God's expectation for righteous living and financial reporting.

Moral standards are obligatory to a Christian accountant. They reflect on one's faith and relationship with God. The bible teaches integrity, accountability, stewardship, and honesty which is in line with the accounting profession. Therefore, inculcating biblical principles with professional accounting improve moral behavior in the profession. Because accountants who uphold moral standards in their financial reports honor God and His teachings.

Finally, moral standards are an important aspect of the accounting profession. They ensure reliability of the financial reports, transparency and boost public trust. Despite the various ethical challenges in the profession, moral standards help to curb these challenges and improve the quality of financial reporting.

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