
Spiritual Accounting Practices and Corporate Financial Reporting Quality: Empirical Evidence from an Emerging Economy

Ebimobowei Appah

Isaac Jasper Boro College of Education, Sagbama, Bayelsa State, Nigeria

ebiappah@ijbcoe.edu.ng

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Abstract: *This study explores the association between spiritual accounting practices and corporate financial reporting quality with a focus on stewardship, accountability, transparency and honesty, ethical decision-making and CSR integration with audit quality. Drawing from stakeholder theory and stewardship theory, the study argues that integrating spiritual values into accounting practices enhances the credibility and reliability of financial reports. Using a cross-sectional survey of accounting professionals and financial managers of firms listed on the NGX, data were collected and analysed through descriptive and inferential statistics to test the hypothesised association. The findings reveal a strong and positive association between stewardship of spiritual accounting and the reliability of financial reports of firms listed on the NGX in Nigeria; a strong and positive association between accountability of spiritual accounting and the reliability of financial reports of firms listed on the NGX in Nigeria; a strong and positive association between transparency and honesty of spiritual accounting and the reliability of financial reports of firms listed on the NGX in Nigeria; a strong and positive association between ethical decision-making of spiritual accounting and the reliability of financial reports of firms listed on the NGX in Nigeria; a strong and positive association between corporate social responsibility of spiritual accounting and the reliability of financial reports of firms listed on the NGX in Nigeria and a strong and positive association between audit quality and the reliability of financial reports of firms listed on the NGX in Nigeria. The study contributes to the growing body of literature on spirituality in business and financial ethics by demonstrating the practical role of spiritual accounting in enhancing reporting quality. It also provides useful implications for policymakers, who should encourage the integration of spiritual and ethical principles into financial reporting guidelines and professional training. Finally, the study highlights the need for future research to develop standardized measurement instruments for spiritual accounting and to extend the investigation across industries.*

Keywords: spiritual accounting, corporate financial reporting quality, audit quality, financial ethics, Nigeria.

INTRODUCTION

In recent years, the quality of corporate financial reporting has attracted global attention due to its critical role in enhancing transparency, investor confidence, and accountability in business organisations (Dechow et al, 2010). Financial reporting quality is essential for reducing information asymmetrically and ensuring that stakeholders are presented with a fair and faithful representation of a firm's financial position (Barth et al, 2008). Chen et al (2023) explain that high-quality financial reporting enhances transparency and promotes accountability among corporate managers. Despite the adoption of International Financial Reporting Standards (IFRS) and other global regulatory frameworks, cases of misreporting, earnings manipulation, and accounting fraud continue to undermine the reliability of corporate reports (Enofe et al, 2021). Also, persistent cases of misrepresentation, creative accounting, and earnings management undermine the credibility of financial statements, especially in emerging economies such as Nigeria, where weak institutional frameworks and regulatory inefficiencies exacerbate the challenge (Nwanyanwu, 2022). This has created an urgent need for alternative mechanisms that go beyond compliance with accounting standards and emphasise deeper ethical and moral foundations for reporting practices.

One emerging concept addressing this challenge is spiritual accounting, which integrates spiritual, moral, and ethical values into accounting and reporting (Rahmawati, 2019). Spiritual accounting emphasises accountability not only to shareholders but also to society, the environment and ultimately to a higher divine order, thereby aligning financial reporting with values of honesty, stewardship, and fairness (Etim, et al, 2022; Omodero, 2022). By encouraging managers and accountants to act in ways that reflect moral and spiritual responsibility, spiritual accounting holds the potential to improve financial reporting quality, reducing earnings manipulation, and strengthening stakeholder trust. Nevertheless, empirical evidence on the direct impact of spiritual accounting on corporate financial reporting quality remains limited, with scholars noting variations in practice across cultural and institutional contexts (Rahmawati, 2019; Salehi et al, 2020).

Furthermore, the effect of spiritual accounting on reporting outcomes may not be uniform but contingent upon other governance mechanisms such as audit quality. Audit quality has long been recognised as a cornerstone of credible financial reporting, providing external assurance that reporting information faithfully represents underlying economic reality (Knechel et al, 2013). High-quality audits enhance transparency by constraining managerial opportunism, detecting misstatements, and ensuring compliance with accounting standards (Chen et al, 2023). In contexts where spiritual accounting is practiced, the role of audit quality becomes critical, as it can reinforce spiritual values by ensuring their proper reflection in audited financial statements. Conversely, poor audit quality may weaken or even nullify the benefits of spiritual accounting, leading to low-quality reporting despite the existence of ethical intentions (Uwuigbe et al, 2020). Additionally, recent evidence in Nigeria suggests that while corporate entities increasingly embrace ethical and social dimensions of reporting, persistent audit failures and weak enforcement mechanisms still compromise reporting quality (Uwuigbe et al, 2020; Enofe et al, 2021). Yet few studies have

examined how audit quality moderates the link between spiritual accounting and financial reporting outcomes, leaving a critical gap in literature. The limited integration of spirituality into mainstream financial reporting quality research, the lack of empirical evidence from Sub-Saharan Africa especially, Nigeria and insufficient research on the role of audit quality in shaping the spirituality – corporate financial reporting quality connection. Therefore, the problem this study addresses is the limited empirical evidence on the extent to which audit quality moderates the relationship between spiritual accounting and corporate financial reporting quality. Without understanding this moderating effect, efforts to strengthen reporting practices in Nigeria and other emerging economies may remain incomplete, thereby allowing ethical lapses, misreporting and stakeholder distrust to persist. Therefore, addressing the gaps in the literature will not only enrich accounting theory by integrating ethical-spiritual dimensions but also provide practical insights for regulators, auditors, and corporations in enhancing financial reporting credibility. Therefore, the major objective of this study is to investigate the moderating role of audit quality on the relationship between spiritual accounting practices and corporate financial reporting quality of listed firms in Nigeria. The specific objectives are as follows:

1. To examine the effect of stewardship on the reliability of financial reports of listed firms in Nigeria.
2. To assess the effect of accountability to a higher order on the reliability of financial reports of listed firms in Nigeria.
3. To determine the effect of transparency and honesty on the reliability of financial reports of listed firms in Nigeria.
4. To evaluate the effect of ethical decision-making on the reliability of financial reports of listed firms in Nigeria.
5. To investigate the effect of corporate social responsibility integration on the reliability of financial reports of listed firms in Nigeria.
6. To examine the moderating role of audit quality on the relationship between spiritual accounting practices and corporate financial reporting quality in Nigeria.

Research Questions: Based on objectives, the study seeks to answer the following questions:

1. What is the effect of stewardship on the reliability of financial reports of listed firms in Nigeria?
2. How does accountability to a higher order affect the reliability of financial reports of listed firms in Nigeria?
3. To what extent do transparency and honesty affect the reliability of financial reports of listed firms in Nigeria?
4. What is the effect of ethical decision-making on the reliability of financial reports of listed firms in Nigeria?
5. How does corporate social responsibility integration affect the reliability of financial reports of listed firms in Nigeria?
6. Does audit quality moderate the relationship between spiritual accounting practices and corporate financial reporting quality in Nigeria?

The following null hypotheses were tested in this study:

H0₁: Stewardship of spiritual accounting has no significant effect on the reliability of financial reports of listed firms in Nigeria

H0₂: Accountability of spiritual accounting has no significant effect on the reliability of financial reports of listed firms in Nigeria

H0₃: Transparency and honesty of spiritual accounting have no significant effect on the reliability of financial reports of listed firms in Nigeria

H0₄: Ethical decision-making of spiritual accounting has no significant effect on the reliability of financial reports of listed firms in Nigeria

H0₅: Corporate social responsibility integration of spiritual accounting has no significant effect on the reliability of financial reports of listed firms in Nigeria

H0₆: Audit quality does not significantly moderate the relationship between spiritual accounting practice and the reliability of financial reports of listed firms in Nigeria.

LITERATURE REVIEW

Conceptual Review

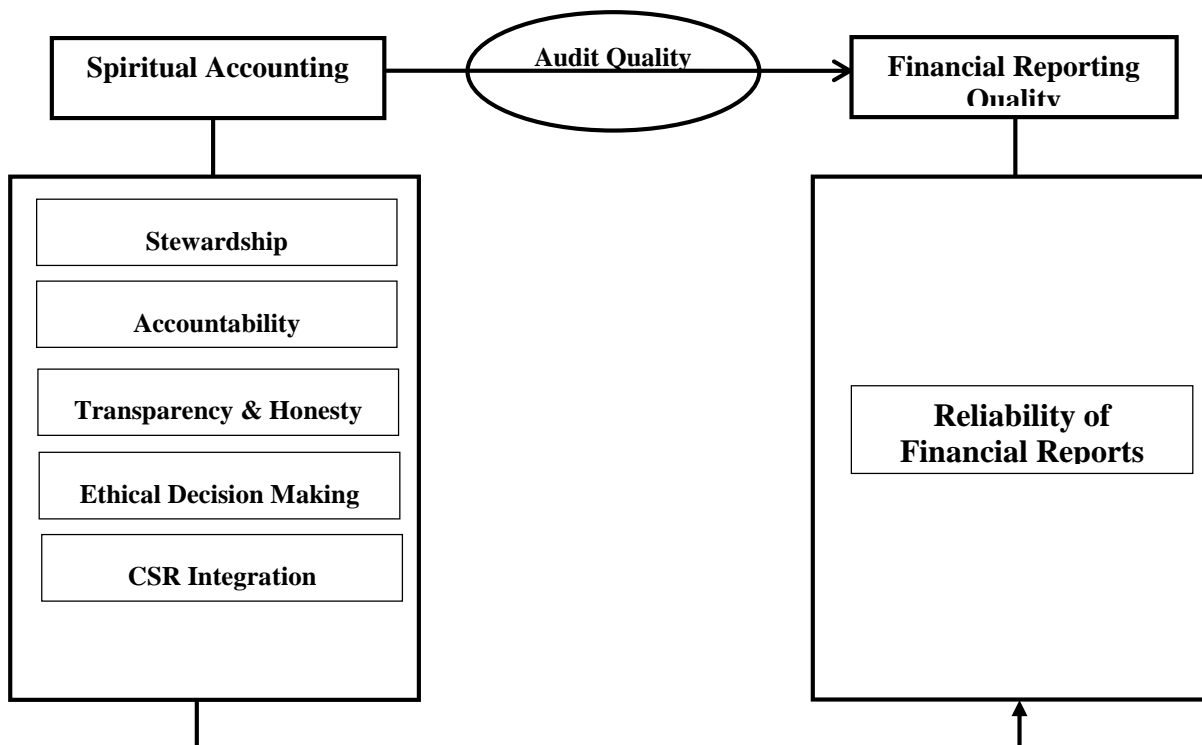


Figure 1: Conceptual Framework of Spiritual Accounting and Financial Reporting Quality

Source: Creation by the Authors (2025)

Concept of Spiritual Accounting: The concept of spiritual accounting is an emerging paradigm in accounting scholarship that integrates spirituality, ethics, and moral consciousness into financial reporting and corporate accountability. Spiritual accounting extends the scope of accounting to include values such as integrity, stewardship, social justice, and holistic responsibility (Kamla & Rammal, 2013; Choudhury, 2019). Spiritual accounting can be defined as an accounting approach that incorporates spiritual values, such as honesty, fairness, compassion, and accountability to a higher moral or drive into organisational decision-making and reporting. It views organisations not merely as profit-making entities but as stewards of resources entrusted to them for the collective good (Haniffa, 2018). It is also defined as a system of accounting that extends beyond traditional measurement to include ethical, moral, environmental, and transcendental responsibilities, thereby ensuring accountability not only to shareholders but also to society, future generations and a higher spiritual order (Uddin, 2022). Haniffa (2018) describes spiritual accounting as an ethical accounting paradigm grounded in moral consciousness and accountability to God, humanity, and the environment. Choudhury (2019) frames it as a multidimensional system that integrates material, ethical, and spiritual values into decision-making and reporting. Uddin (2022) defines it as a transformative approach to accounting that embeds spirituality and ethics into organizational accountability frameworks, addressing the limitations of conventional financial reporting. It positions accounting as a tool for holistic stewardship, balancing material wealth with spiritual well-being, social justice, and sustainability. Spiritual accounting embeds truthfulness, integrity, fairness, and compassion as guiding principles in financial reporting (Baydoun & Willett, 2015; Choudhury, 2019). It is influenced by the belief that organisations are accountable not only to shareholders but also to society, the environment, and ultimately to God or a transcendent moral order (Dusuki & Abdullah, 2007; Baydoun & Willett, 2015). The application of spiritual accounting encourages faith-based organisations and socially responsible businesses to disclose not only financial outcomes but also their contribution to human well-being, ethics, and sustainability (Haniffa & Hudaib, 2007), supports integrated reporting by blending financial, social, environmental, and spiritual dimensions and promotes corporate governance guided by virtue ethics and spiritual consciousness. Spiritual accounting is gaining recognition in the context of corporate scandals, unethical practices, and declining trust in financial reports. It responds to calls for a more human and morally grounded accounting system that aligns profit with purpose (Abdel-Karim, 2021; Uddin, 2022).

Concept of Corporate Financial Reporting Quality: Corporate financial reporting quality (CFRQ) refers to the degree to which a firm's financial reports faithfully represent its underlying economic reality, providing relevant, reliable, comparable, and understandable information to stakeholders for decision-making. High-quality financial reporting enhances transparency, reduces information asymmetry, builds investor confidence, and supports efficient capital allocation. Dechow et al (2010) define financial reporting quality as the precision with which financial reports convey information about a firm's operations, performance, and risk, which is useful to investors in making decisions. Barth et al (2008) describe it as the extent to which financial reports reflect the firm's underlying economics and improve the quality of information available to investors. Chen et al (2010) emphasise that financial reporting quality depends on faithful representation, which ensures that accounting numbers are free from manipulation and bias. The core attributes

of CFRQ include relevance, faithful representation, comparability, timeliness and verifiability. Financial reporting quality means that the information disclosed in corporate reports helps investors, creditors, regulators, and other stakeholders make sound economic decisions (IASB, 2018). It implies that reported figures truly represent the firm's economic activities, without manipulation or bias (Dechow et al, 2010). High-quality reporting enhances trust in corporate disclosures and reduces information asymmetry between managers and external users (Barth et al, 2008). While adherence to standards is necessary, true reporting quality involves ethical reporting practices and avoidance of earnings management (Francis et al, 2004). Hence, the practical relevance of CFRQ includes enhancing investor confidence and reducing the cost of capital, preventing earnings management and accounting scandals, supporting regulatory compliance and contributing to sustainable decision-making by ensuring transparency and accountability.

Concept of Audit Quality: The concept of audit quality refers to the degree to which an audit is performed in accordance with auditing standards, ensuring that the auditor obtains reasonable assurance that financial statements are free from material misstatements – whether due to fraud or error and thus enhances the credibility of financial reporting. The International Auditing and Assurance Standards Board (IAASB, 2022) defines audit quality as the outcome achieved when audits are performed in compliance with professional standards, providing users with confidence in the financial statements. Frances (2011) emphasizes that audit quality is a multi-dimensional concept involving inputs (auditor competence, independence), process (adherence to standards), and outputs (accuracy of audit opinion). High audit quality ensures that financial statements present a true and fair view of the company's financial performance and position. IAASB (2022) states that audit quality is to provide users with confidence that financial reports are prepared in accordance with applicable standards. By verifying the accuracy of disclosures, auditors minimise the knowledge gap between management and stakeholders. DeAngelo (1981) notes that quality audits improve the likelihood that misstatements or breaches are detected and reported, thereby reducing agency problems. Audit quality supports effective corporate governance by holding management accountable for the stewardship of resources. Francis (2011) emphasizes that the purpose of quality audits is to ensure reliable reporting, which underpins governance and investor protection. The objective is to safeguard the interests of shareholders, creditors, regulators, and the public by ensuring them of the reliability of reported financial information. Knechel et al (2013) explain that high audit quality builds stakeholder trust, which in turn enhances market confidence. Also, audit quality enhances the auditor's ability to detect material fraud or error and discourage earnings manipulation. PCAOB (2023) stresses that high audit quality is essential to deterring fraud and ensuring transparent markets.

Theoretical Framework: Spiritual accounting draws from stakeholder theory and stewardship theory, while also embracing spiritual worldviews found in religious and cultural traditions.

Stakeholder Theory: Stakeholder theory is one of the most influential frameworks in corporate governance and accountability research. It is particularly relevant in explaining the relationship between spiritual accounting and corporate financial reporting quality, because it expands accountability beyond shareholders to multiple groups affected by corporate actions. The principal

advocate of stakeholder theory is R. Edward Freeman, who articulated the theory in his book “Strategic Management: A Stakeholder Approach” (1984) and others are Thomas Donaldson and Lee Preston (1985), Freeman, Harrison and Wicks (2007). Stakeholder theory posits that organisations have obligations not only to shareholders but also to a broader set of stakeholders such as employees, customers, suppliers, communities, government, and the environment whose interests must be considered in decision making (Freeman, 1984). Donaldson and Preston (1995) argue that stakeholder theory has descriptive, instrumental, and normative aspects: it describes corporate behaviour, predicts outcomes, and prescribes ethical obligations. Stakeholder theory ensures that companies consider the interests of diverse groups, not just shareholders, aligns with spiritual accounting by embedding moral responsibility and fairness in financial reporting, encourages long-term value creation through responsible corporate practices and builds corporate legitimacy by aligning reporting with social expectations. However, critics have argued that stakeholder theory lacks clarity on which stakeholders should be prioritized when interests conflict, difficult to balance competing demands of multiple stakeholders and may diffuse responsibility by trying to please all groups. This theory is relevant to this study because stakeholder theory supports the idea that organisations are accountable not only financially but also ethically, socially, and spiritually. By embedding spiritual values such as integrity, fairness, and stewardship, companies can provide disclosures that reflect their responsibilities to all stakeholders including society and the divine. CFRQ improves when reporting goes beyond compliance to incorporate stakeholder needs, such as transparency, ethical responsibility, and sustainability reporting. Spiritual accounting, informed by stakeholder theory, strengthens CFRQ by reducing manipulation, enhancing relevance, and aligning disclosures with broader stakeholder expectations and the theory provides the normative foundation for linking spiritual accountability with financial transparency. Hence, stakeholder theory provides the normative framework (ethical duty to serve multiple groups), while spiritual accounting provides the practical content (values-based discloses) (Freeman et al, 2007).

Stewardship Theory: Stewardship theory provides a useful lens to explain the relationship between spiritual accounting and corporate financial reporting quality. It emphasises trust, ethics, and the intrinsic motivation of managers as custodians of resources, which aligns well with the moral and transcendental focus of spiritual accounting. The principal advocate of stewardship theory is Lex Donaldson, along with James H. Davis and F. David Schoorman. Donald and Davis (1991) formally introduced stewardship theory as an alternative to agency theory, arguing that managers can be trusted to act as stewards of organizational resources rather than opportunistic agents. Davis et al (1997) further advanced the theory by integrating psychology and sociology into governance research, showing that under conditions of trust, empowerment, and intrinsic motivation, managers act in the best interest of stakeholders. Stewardship theory posits that managers, rather than acting opportunistically, are trustworthy stewards whose behaviours are aligned with the interests of stakeholders and the organization (Davis et al, 1997). According to Donald and Davis (1991), stewardship theory assumes that executives are motivated by pro-social behaviour, collective good, and trust, rather than pure self-interest. The benefits of stewardship theory in this context are that it reinforces the idea that spiritual values can guide managers toward honest reporting. trust-based stewardship lowers monitoring costs associated with traditional

agency theory; managers are more likely to produce transparent, faithful, and relevant financial reports, and the theory legitimises the idea that managers see themselves accountable to God, society, and stakeholders, not just shareholders. However, this theory suffers from the criticisms of ignoring the potential for fraud, manipulation, or self-serving behaviour that agency theory addresses. The assumption that managers are always ethical, responsible, and aligned with organisational goals may not be held in practice and it is difficult to empirically assess the extent to which managers act as stewards motivated by spiritual or moral values. This theory is relevant to this study because stewardship theory explains how spiritual values internalized by managers, such as integrity, fairness, and accountability, reduce manipulation and enhance reporting credibility and supports the argument that embedding spirituality in accounting practices can positively influence CFRQ by strengthening ethical stewardship.

Empirical Review

Several studies provide cross-country evidence linking spirituality and reporting quality. Abdelsalam et al (2021), examine over 400 banks worldwide, found that firms operating in more religious environments demonstrated higher earnings quality, reduced discretionary accruals, and fewer financial restatements. Similarly, Akhter et al (2023) confirmed that banks located in highly religious societies were less likely to engage in opportunistic earnings management through loan loss provisions. These findings support the notion that spiritual and religious norms act as informal governance mechanisms that constrain unethical accounting practices. Chen (2022) provided evidence from the U.S. by examining the educational background of CEOs. The study revealed that executives with religious alma maters were less prone to misreporting, leading to improved accruals quality and reduced financial statements. This suggests that spiritual influences at the individual leadership level can shape corporate reporting disclosures. Likewise, McGuire et al (2012) demonstrated that firms headquartered in more religious countries exhibited more credible earnings, while Dyreng et al (2012) reported that religiosity influenced firms to adopt more conservative financial reporting practices.

Spiritually embedded in religious frameworks, such as Islamic finance, also provides insight into the corporate financial reporting quality and spirituality nexus. Hassan and Aliyu (2022), studying Islamic banks in the Middle East and North African (MENA) found that sharia compliance significantly enhanced reporting quality by reducing discretionary accruals and aligning financial practices with ethical standards. This demonstrates that religious-based governance mechanisms can effectively serve as safeguards for financial reporting integrity. Within Africa, particularly Nigeria, a growing number of studies emphasizing the role of spirituality in financial reporting. Etim et al (2022), using survey evidence from microfinance banks, established that spiritual accounting measured through ethical consciousness and accountability to God positively influenced financial reporting transparency. Similarly, Omoregie (2023) investigated deposit money banks in Nigeria and found that workplace spirituality, expressed through integrity, honesty, and fairness, had a significant positive effect on corporate financial reporting quality dimensions such as timeliness, reliability, and completeness of reports. Muazu et al (2025) explored spiritual accounting and profitability of Nigerian banks, and the findings revealed a

significant positive relationship between financial transparency and financial performance, demonstrating that banks with higher transparency in financial reporting achieve higher profitability, greater investor confidence, and improved operational efficiency. These results support the argument that spiritual accounting, by fostering ethical banking practices and corporate governance, enhances long-term financial sustainability. These findings highlight spirituality as an important contextual factor in enhancing financial accountability in Nigeria, where weak regulatory enforcement often undermines reporting credibility.

METHODOLOGY

This paper employed a cross-sectional survey research design. This design was preferred since it provides relevant and reliable responses to attain the objectives of the research. The population of this study were made up of all the 131 listed firms of the Nigerian Exchange Group (NGX) as at 31 December 2024. To determine the sample of this study, the census sampling technique was used, and this sampling technique was used because of the small population size and to eliminate sampling error, as data was collected from the entire population. The designed questionnaires were emailed to all the Chief Finance Officers (CFOs) as heads of the Accounting and Finance Units of the listed firms. The major source of data collection was primary data that were obtained from the CFOs of the listed firms. The major instrument for data collection in this study was a survey questionnaire titled “Spiritual Accounting and Corporate Financial Reporting Quality (SPACOFIRQ). A total of ten (10) questionnaires were sent to the listed firms on the Nigeria Exchange Group (NGX), making a total observation of one thousand, three hundred and ten (1,310). A total of seven hundred and thirty-four (734) questionnaires were received and used for analysis, representing 56%. The questionnaire constructs were measured using a 5-point Likert scale (1 = strongly disagree to 5 = strongly agree). The study utilised face and content validity to validate the items in the questionnaire, which were administered to academics and professional accountants (members of ICAN and ANAN) in Bayelsa State. The participants read and made necessary corrections. The second process involved validating the instrument, where the questionnaire was pre-tested and the responses from the respondents were used to refine the items. The study questionnaire used test-retest reliability. The instrument was administered to thirty (30) of the target subjects who were not part of the respondents, and after a period of two weeks, the same instrument was again given to the same respondents to ascertain the reliability. Consequently, Cronbach Alpha coefficient (0.843, 0.746, 0.828, 0.754, 0.841, 0.764) was used to determine the statistical reliability of the research instrument. The responses from the administered questionnaire were analysed using descriptive and inferential statistical analysis. According to Appah (2020), the interpretation of correlation (r) as the following parameters: 0.8 – 1.0 = very strong relationship, 0.6 – 0.79 = strong relationship, 0.4 – 0.59 = moderate relationship, 0.2 – 0.39 = weak relationship; and 0.0 – 0.19 = very weak or no relationship.

RESULTS AND DISCUSSIONS

Table 1: Questionnaire Distribution

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Number returned and correctly filled	734	56.03	56.03	56.03
Number returned and not correctly filled	483	36.87	36.87	92.90
Number not returned	93	7.10	7.10	100.0
Total	1,310	100.0	100.0	

Source: Field Survey (2025) Via SPSS Output

Table 1 shows that a total of one million, three hundred and ten thousand (1,310) copies of the questionnaire were distributed to the respondents. Out of this number, seven hundred and thirty-four (734) representing 56.03% response rates were correctly filled and returned, while ninety-three (93) copies representing 7.10% were returned but not correctly filled. However, four hundred and eighty-three (483), representing 36.87%, were not returned. The implication is that the analysis of data will be based on seven hundred and thirty-four (734), representing a 56.03% rate of response that was correctly filled and returned to the researcher.

Table 2: Descriptive Statistics of Stewardship of Spiritual Accounting

S/N	Items	N	Min	Max	Mean	Std. D
1	I believe that organizational resources should be managed as a sacred trust for stakeholders	734	1.00	5.00	3.284	1.324
2	I ensure that financial decisions reflect accountability beyond profit to include social and spiritual values.	734	1.00	5.00	3.561	1.174
3	I recognize that mismanagement of resources is a violation of stewardship principles	734	1.00	5.00	3.325	1.683
4	I believe that stewardship requires aligning accounting practices with ethical and spiritual values	734	1.00	5.00	3.417	1.347
5	I believe stewardship entails protecting the interests of the weak and marginalised in society.	734	1.00	5.00	3.148	1.421
Valid N (listwise)		734			3.347	1.390

Source: Field Survey (2025)

The results in Table 2 showed the descriptive statistics of the mean and standard deviation responses on stewardship of spiritual accounting variable using five questionnaire items that were designed on a five-point Likert scale. Thus, the questionnaire items labelled above, and the mean and standard deviation of the five items were calculated to determine the overall mean and standard deviation responses on stewardship of spiritual accounting. Notwithstanding, all the items mean above the cut-off point of 2.5. However, the grand mean and standard deviation responses on the questionnaire items disclosed (**Mean =3.347; Std. D =1.390**), respectively. This implies that stewardship of spiritual accounting is a significant predictor of the reliability of financial reports of listed firms in Nigeria.

Table 3: Descriptive Statistics of Accountability of Spiritual Accounting

S/N	Items	N	Min	Max	Mean	Std. D
1	I believe accountability in financial reporting extends to God, society and humanity at large.	734	1.00	5.00	3.643	1.452
2	I view financial accountability as both a moral and spiritual responsibility	734	1.00	5.00	3.312	1.256
3	I believe organization should provide transparent information to all stakeholders, not only investors	734	1.00	5.00	3.482	1.174
4	I see accountability as a duty to safeguard resources for present and future generations.	734	1.00	5.00	3.513	1.285
5	I regard dishonest reporting as a breach of accountability and spiritual trust.	734	1.00	5.00	3.834	1.381
Valid N (listwise)		734			3.557	1.310

Source: Field Survey (2025)

The results in Table 3 depict the descriptive statistics of the mean and standard deviation responses on the accountability of spiritual accounting variable using five questionnaire items that were designed on a five-point Likert scale. Thus, the questionnaire items labelled above, and the mean and standard deviation of the five items were calculated to determine the overall mean and standard deviation responses on accountability of the spiritual accounting of spiritual accounting. Notwithstanding, all the items mean above the cut-off point of 2.5. However, the grand mean and standard deviation responses on the questionnaire items disclosed (**Mean =3.557; Std. D =1.310**), respectively. This implies that accountability of spiritual accounting is a significant predictor of the reliability of financial reports of listed firms in Nigeria.

Table 4: Descriptive Statistics of Transparency & Honesty of Spiritual Accounting

S/N	Items	N	Min	Max	Mean	Std. D
1	I believe accountability in financial reporting extends to God, society and humanity at large.	734	1.00	5.00	2.948	1.274
2	I view financial accountability as both a moral and spiritual responsibility	734	1.00	5.00	2.843	1.395
3	I believe organization should provide transparent information to all stakeholders, not only investors	734	1.00	5.00	2.732	1.284
4	I see accountability as a duty to safeguard resources for present and future generations.	734	1.00	5.00	3.327	1.473
5	I regard dishonest reporting as a breach of accountability and spiritual trust.	734	1.00	5.00	3.352	1.518
Valid N (listwise)		734			3.040	1.388

Source: Field Survey (2025)

The results in Table 4 disclosed the descriptive statistics of the mean and standard deviation responses on the transparency and honesty of spiritual accounting variable using five questionnaire items that were designed on a five-point Likert scale. Thus, the questionnaire items labelled above, and the mean and standard deviation of the five items were calculated to determine the overall mean and standard deviation responses on the transparency and honesty of the spiritual accounting of spiritual accounting. Notwithstanding, all the items mean above the cut-off point of 2.5. However, the grand mean and standard deviation responses on the questionnaire items disclosed (**Mean =3.040; Std. D =1.388**), respectively. This implies that transparency and honesty of spiritual accounting significantly predict the reliability of financial reports of listed firms in Nigeria.

Table 5: Descriptive Statistics of Ethical Decision-Making of Spiritual Accounting

S/N	Items	N	Min	Max	Mean	Std. D
1	I consider ethical and spiritual values before making financial decisions and reporting decisions.	734	1.00	5.00	3.216	1.372
2	I believe ethical decision-making in accounting reflects accountability to God and humanity.	734	1.00	5.00	2.748	1.412
3	I strive to uphold honesty and integrity even under pressure in financial reporting	734	1.00	5.00	2.847	1.326
4	I consider the long-term spiritual and social consciousness of my accounting choices	734	1.00	5.00	3.215	1.318
5	I believe ethical decisions require balancing organisational interests with societal well-being.	734	1.00	5.00	3.387	1.484
Valid N (listwise)		734			3.065	1.382

Source: Field Survey (2025)

The results in Table 5 represent the descriptive statistics of the mean and standard deviation responses on the ethical decision-making of the spiritual accounting variable using five

questionnaire items that were designed on a five-point Likert scale. Thus, the questionnaire items labelled above, and the mean and standard deviation of the five items were calculated to determine the overall mean and standard deviation responses on ethical decision-making of the spiritual accounting of spiritual accounting. Notwithstanding, all the items mean above the cut-off point of 2.5. However, the grand mean and standard deviation responses on the questionnaire items disclosed (**Mean =3.065; Std. D =1.382**), respectively. This implies that ethical decision-making of spiritual accounting is a significant predictor of the reliability of financial reports of listed firms in Nigeria.

Table 6: Descriptive Statistics of CSR Integration of Spiritual Accounting

S/N	Items	N	Min	Max	Mean	Std. D
1	I believe corporate social responsibility is an essential part of spiritual accountability in financial reporting	734	1.00	5.00	3.184	1.428
2	I consider the social and environmental impacts of financial decisions in accounting reports	734	1.00	5.00	2.946	1.217
3	I view community development and social welfare as integral to organizational stewardship	734	1.00	5.00	2.846	1.231
4	I believe integrating CSR into accounting aligns with spiritual and ethical principles	734	1.00	5.00	3.125	1.432
5	I believe CSR integration reflects obedience to moral and spiritual obligations in business.	734	1.00	5.00	3.032	1.517
Valid N (listwise)		734			3.027	1.365

Source: Field Survey (2025)

The results in Table 6 show the descriptive statistics of the mean and standard deviation responses on the CSR integration of spiritual accounting variable using five questionnaire items that were designed on a five-point Likert scale. Thus, the questionnaire items labelled above, and the mean and standard deviation of the five items were calculated to determine the overall mean and standard deviation responses on CSR integration of spiritual accounting. Notwithstanding, all the items mean above the cut-off point of 2.5. However, the grand mean and standard deviation responses on the questionnaire items disclosed (**Mean =3.027; Std. D =1.365**), respectively. This implies that CSR integration of spiritual accounting is a significant predictor of the reliability of financial reports of listed firms in Nigeria.

Table 7: Descriptive Statistics of Audit Quality

S/N	Items	N	Min	Max	Mean	Std. D
1	Audit quality ensures that financial reports comply with ethical and professional standards.	734	1.00	5.00	3.437	1.235
2	Reliable audits strengthen stakeholder trust in reported financial information	734	1.00	5.00	2.746	1.531
3	Strong audit standards reduce the risk of misstatements in financial reports	734	1.00	5.00	2.563	1.652
4	Independent auditors improve the reliability of disclosed accounting information	734	1.00	5.00	3.548	1.532
5	High audit quality enhances the credibility of financial reports	734	1.00	5.00	3.267	1.264
Valid N (listwise)		734			3.112	1.443

Source: Field Survey (2025)

The results in Table 7 show the descriptive statistics of the mean and standard deviation responses on the audit quality variable using five questionnaire items that were designed on a five-point Likert scale. Thus, the questionnaire items labelled above, and the mean and standard deviation of the five items were calculated to determine the overall mean and standard deviation responses on audit quality. Notwithstanding, all the items mean above the cut-off point of 2.5. However, the grand mean and standard deviation responses on the questionnaire items disclosed (**Mean =3.112; Std. D =1.443**), respectively. This implies that audit quality is a significant predictor of the reliability of financial reports of listed firms in Nigeria.

Table 8: Descriptive Statistics of Reliability of Financial Reports

S/N	Items	N	Min	Max	Mean	Std. D
1	The financial reports present information that is accurate and free from misstatement	734	1.00	5.00	2.643	1.194
2	The financial reports are prepared in compliance with applicable accounting standards	734	1.00	5.00	3.127	1.428
3	The financial reports are transparent and reflect the actual financial position of the organization.	734	1.00	5.00	2.394	1.127
4	The information in the financial reports is complete and not misleading	734	1.00	5.00	3.104	1.462
5	The reliability of the financial reports increases stakeholders confidence in the organization.	734	1.00	5.00	3.038	1.310
Valid N (listwise)		734			2.861	1.304

Source: Field Survey (2025)

The results in Table 8 show the descriptive statistics of the mean and standard deviation responses on the reliability of financial reports variable using five questionnaire items that were designed on a five-point Likert scale. Thus, the questionnaire items labelled above, and the mean and standard deviation of the five items were calculated to determine the overall mean and standard deviation

responses on the reliability of financial reports. Notwithstanding, all the items mean above the cut-off point of 2.5. However, the grand mean and standard deviation responses on the questionnaire items disclosed (**Mean =2.861; Std. D =1.304**), respectively.

Table 9: Correlation Matrices

		RFR	SWS	ACC	TAH	EDM	CSR	AUQ
RFR	Pearson Correlation	1						
	Sig. (2-tailed)	0.00						
	N	734						
SWS	Pearson Correlation	0.646	1					
	Sig. (2-tailed)	.000	.000					
	N	734	734					
ACC	Pearson Correlation	0.635	0.634	1				
	Sig. (2-tailed)	.000	.000	.000				
	N	734	734	734				
TAH	Pearson Correlation	0.625	0.631	0.621	1			
	Sig. (2-tailed)	.000	.000	.000	.000			
	N	734	734	734	734			
EDM	Pearson Correlation	0.623	0.635	0.645	0.653	1		
	Sig. (2-tailed)	.000	.000	.000	.000	.000		
	N	734	734	734	734	734		
CSR	Pearson Correlation	0.752	0.634	0.652	0.624	0.563	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	734	734	734	734	734	734	
AUQ	Pearson Correlation	0.762	0.553	0.615	0.636	0.645	0.615	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
	N	734	734	734	734	734	734	734

Source: Computed by Author Via SPSS (2025)

The bivariate analysis was carried out using Pearson's Product-Moment Correlation Coefficient (PPMC), showing the relationship between spiritual accounting practices (stewardship, accountability, transparency and honesty, ethical decision-making, and CSR integration), corporate financial reporting quality (reliability of financial reports) and audit quality as a moderator variable. Table 9 shows a strong and positive ($r = 0.646$, $P = 0.00$) relationship between stewardship of spiritual accounting and reliability of financial reports of firms listed on the NGX in Nigeria. The finding also showed a strong and positive ($r = 0.635$, $P = 0.00$) relationship between accountability of spiritual accounting and reliability of financial reports of firms listed on the NGX in Nigeria. A strong and positive ($r = 0.625$, $P = 0.00$) relationship between transparency and honesty and the reliability of financial reports of listed firms in Nigeria. Additionally, the result revealed a strong and positive ($r = 0.623$, $P = 0.00$) relationship between ethical decision-making and the reliability of financial reports of listed firms in Nigeria. Also, the finding showed a strong and positive ($r = 0.725$, $P = 0.00$) relationship between corporate social responsibility (CSR) integration of spiritual accounting and the reliability of financial reports of listed firms in Nigeria. Finally, the result revealed a strong and positive ($r = 0.762$, $P = 0.00$) relationship between audit quality and the reliability of financial reports of listed firms in Nigeria.

DISCUSSION OF FINDINGS

The study makes important contributions to the current body of literature on spiritual accounting and corporate financial reporting. First, the result established a strong and positive relationship between stewardship of spiritual accounting and the reliability of financial reports of firms listed on the NGX in Nigeria. This result aligned with the prior findings of Muazu et al (2025), Etim et al (2022), and Terzani and Turzo (2020). The findings of Muazu et al (2025) revealed a significant positive effect of awareness and practice of spiritual accounting on the higher perceived reporting quality, accountability and transparency in microfinance banks in Nigeria. In addition, Simon and Kanyunyuzi (2025) reported that accounting ethics (integrity, objectivity) is positively associated with multiple dimensions of reporting quality, and management policy partly mediates. Hence, the empirical evidence of the present study supports the statement and further suggests that an increase in stewardship of spiritual accounting would lead to an increase in the reliability of financial reports of firms listed on the NGX in Nigeria. The second result of this paper established a strong and positive association between the accountability of spiritual accounting and the reliability of financial reports of firms listed on the NGX in Nigeria. The finding is consistent with the study carried out by Etim et al (2022) in Delta State, Nigeria, which showed a significant positive effect of awareness and practice of spiritual accounting associated with higher perceived reporting quality, accountability and transparency in microfinance banks in Nigeria. Also, Muazu et al (2025) revealed that spiritual accounting enhances the financial performance of listed Nigerian banks. This result suggests that accountability of spiritual accounting would lead to the reliability of financial reports of firms listed on NGX in Nigeria. The third finding of this paper is that transparency and honesty had a strong and positive association with the reliability of financial reports of firms listed on the NGX in Nigeria. The finding resonates with Etim et al (2022), which showed a significant positive effect of awareness and practice of spiritual accounting associated with higher perceived reporting quality, accountability and transparency in microfinance banks in Nigeria. The fourth finding of this paper is that ethical decision-making had a significantly positive effect on the reliability of financial reports of firms listed on the NGX in Nigeria. The finding concurs with the study carried out by Simon and Kanyunyuzi (2025) that accounting ethics of integrity and objectivity are positively associated with multiple dimensions of reporting quality and management policy. Consequently, the empirical evidence of the present study supports the statement and further suggests that an increase in the level of adoption of ethical decision-making of spiritual accounting enhances the reliability of financial reports of firms listed on the NGX in Nigeria. The fifth finding reveals that corporate social responsibility (CSR) integration of spiritual accounting had a strong and positive relationship with the reliability of financial reports of firms listed on the NGX in Nigeria. The finding agrees with Ani et al (2021), Ningsih (2023), and Ahmad et al (2023). Ani et al (2021) study disclosed that higher CSR disclosure is associated with improved earnings quality (i.e., lower indicators of earnings manipulation), suggesting CSR reporting complements reliable financial reporting. Ningsih (2023) investigation argued that firms with stronger sustainability reporting practices tend to engage in less earnings management, supporting the idea that CSR transparency relates positively to earnings quality and reliability.

Hence, the empirical evidence of the present study supports the statement and further suggests that an increase in CSR integration in spiritual accounting would lead to an increase in the reliability of financial reports of firms listed on the NGX in Nigeria. The sixth contribution of this study is the moderating role of audit quality on the relationship between spiritual accounting practice and the reliability of financial reports of firms listed on the NGX in Nigeria. The findings suggest that audit quality had a strong and positive moderating effect on the relationship between audit quality and the reliability of financial reports of listed firms in Nigeria. Therefore, the empirical evidence of the present study supports the statement and further suggests that an increase in the level of audit quality would lead to an increase in spiritual accounting practice and the reliability of financial reports of firms listed on the NGX in Nigeria.

CONCLUSION, POLICY IMPLICATIONS, LIMITATIONS AND FURTHER RESEARCH

This study investigated the moderating role of audit quality on the relationship between spiritual accounting practice and corporate financial reporting quality of listed firms in Nigeria. The paper employed univariate and bivariate. The result from our analysis indicates a strong and positive association between stewardship of spiritual accounting and the reliability of financial reports of firms listed on the NGX in Nigeria. A strong and positive relationship between the accountability of spiritual accounting and the reliability of financial reports of firms listed on the NGX in Nigeria. A strong and positive linkage between transparency and honesty of spiritual accounting and the reliability of financial reports of firms listed on the NGX in Nigeria. A strong and positive connection between ethical decision making and spiritual accounting, and the reliability of financial reports of firms listed on the NGX in Nigeria. A strong and positive association between CSR integration and spiritual accounting and the reliability of financial reports of firms listed on the NGX in Nigeria. Also, a strong and positive relationship between audit quality and of spiritual accounting and the reliability of financial reports of firms listed on the NGX in Nigeria. The results also demonstrated that audit quality had a positive and significant moderating effect on the association between spiritual accounting practice and corporate financial reporting quality of listed firms in Nigeria. Based on the findings, the paper concludes that the spiritual accounting practice impact on firms listed on the NGX in Nigeria.

The policy implications of the positive and significant moderating effects of spiritual accounting practice and corporate financial reporting quality of listed firms in Nigeria include the following: regulators, such as the Financial Reporting Council of Nigeria (FRCN), should integrate ethical and spiritual values (accountability, stewardship, fairness, truthfulness) into reporting standards and codes of corporate governance, accounting professional bodies (e.g., ICAN, ANAN) should embed spiritual and ethical accounting principles in continuous professional development programs. Boards should adopt policies that recognise spirituality-based accountability in decision-making, promoting honesty and social responsibility in financial reporting. Audit oversight bodies can design monitoring policies that encourage auditors to assess the ethical and spiritual culture of firms when evaluating reporting quality. Universities and training institutions should incorporate spiritual and ethical accounting courses into accounting and finance curricula.

Embedding these values early can shape professionals who prioritise integrity and quality reporting.

The study offered significant and insightful results, but with limitations. The construct of spiritual accounting is relatively new and lacks universally accepted measurement scales, which may affect validity and comparability across studies. This study was conducted in Nigeria, hence reducing generalization to other cultural or regulatory environments. The study relied on survey questionnaires to measure spirituality or ethical practices, which may be influenced by social desirability bias. The study used a cross-sectional design, limiting the ability to establish causality between spiritual accounting and financial reporting quality. Also, while audit quality has been studied as a moderator, other contextual factors such as culture, religion, and regulatory enforcement are often excluded. The areas of further study should create and validate robust measurement scales for spiritual accounting constructs to enhance consistency across contexts. Examining the association across different countries and cultural settings can reveal how spirituality interacts with institutional frameworks to influence reporting quality. Further studies could test the moderating role of corporate governance, organisational culture, religiosity, managerial competence or regulatory enforcement in the association, and future work could explore how spiritual accounting integrates with sustainability reporting, corporate social responsibility, and ESG disclosure quality.

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