

## 4. A Transnational Study on Accounting and Corruption Across the Globe

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### Abstract

The objective of this paper is to better comprehend the relationship between accounting and auditing factors and the measured level of corruption in the global context. This relationship is studied in this paper is designed such that by performing a multinational analysis using public data to span accounting quality, audit quality, and corruption, consistent with our predictions, we find evidence that accounting and auditing quality are axiomatically analogous to the level of perceived corruption in a country. These discoveries advocate that nations with more clear reporting have lower levels of anticipated corruption and that the level of recognized corruption may be decreased in a country by reconstructing accounting and auditing quality. The practical suggestions indicate that countries can reduce the level of observed corruption by improving the transparency of financial reporting by convalescent accounting and auditing standards. While significant amounts of research has examined heeded corruption, this study is an endeavour to address the impact of high quality accounting information on the level of perceived corruption.

**Keywords - Accounting, Auditing, Governance, Ethics, International Regulations, Comparative Accounting Systems and Practice, Methodology in Accounting**

### 1. Introduction

Auditing and accounting standards pursue to make financial information limpid, vindicating the threat that those with economic power act in ways that are unethical, illegal, or unbecoming. The purpose of accounting and auditing standards are to make it more intricate for managers of organizations to perform converse to the conjecture of shareholders. When competent accounting standards exist, organizations are required to reveal information in ways that make pellucid, accurate, and comparable financial information. In fact, as Hall and Yago indicate, "A key reason for keeping transactions secret is to conceal corrupt practices. With transparency comes prying eyes."