EFFECTS OF INTERNATIONAL ACOUNTING STANDARDS AND OTHER ACCOUNTING MEASURES IN COMBATING FRAUD AND WHITE COLLAR CRIMES IN NIGERIA

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A DISSERTATION SUBMITTED TO THE SCHOOL OF POSTGRADUATE STUDIES, NNAMDI AZIKIWE UNIVERSITY, AWKA IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF
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DECLARATION

I hereby declare that this dissertation is written by me and it is a report of my research work. It has not been presented in any previous application for degree. All quotations are indicated and sources of information specifically acknowledged by means of references.

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CERTIFICATION

This dissertation entitled Effects of International Accounting Standards other Accounting measures in Combating Fraud and White Collar Crimes in Nigeria meets the regulations governing the award of degree, of the School of Postgraduate Studies of Nnamdi Azikiwe University, Awka for its contribution to knowledge and literary presentation.

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DEDICATION

This work is dedicated to Almighty God for his infinite mercies and to my dearest friends Mrs Mary Nenyiaba, Dennis, Joyem, Jeprest, Kaly and Keex all members of my family.

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ABSTRACT

This study examined White Collar Crimes in Nigeria with a view to determining the extent to which International Accounting Reporting Standards and other accounting measures can combat it.*Ex-post facto and Descriptive research techniques were adopted. Nine null hypotheses centred on influence of International Accounting Standards and other accounting measures on financial reportswere formulated and tested.Data were obtained from survey in which questions were administered on public servants and bankers. Secondary data were obtained fromAnnual Accounts of banks and Nigerian governments, Nigeria Deposit Insurance Company and Factbook of the Nigerian Stock Exchange.The hypotheses were tested with the following Statistical tools;Karl Pearson Product Moment Correlation Coefficient, z-test for proportion, Anova, multiple regression, Chow tests using Eview 7, SPSS version 21 and Microsoft Excel toolpak 2010 packages. The study revealed that in Nigeria Auditors education level, International Financial Accounting Reporting Standards and Whistle Blowing, in descending order of importance, are significant contributors to obtainingFraud Free Financial Report (FFFR).Furthermore, thatrate of compliance with accounting standards in the public sector is below international bench mark. The study then recommends thatwhistle blowers should be protected in laws that created corporate regulatory agencies in Nigeria. Furthermore, entities in the public sector should file annual accounts with both the Corporate Affairs Commission and Financial Reporting Council of Nigeria and that the agencies should act as watch dogs on compliance with standards.Finally, the study contributes to knowledge by veeringaway from frauddetection models developed by prior researchers. Itevaluated key determinants of (contributor to) fraud free financial reportsand attached weight to each of them. Furthermore, in contrast to current global rave,the study decried unwholesome adoption of International Financial Reporting Standards and preferredadaptation of the standards by developing economies.*

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

The recurring high profile financial scams resulting from fraudulent manipulation of financial statements by corporations (public and private sectors) are indications that Accounting Standards in place aimed at preventing such fraud may not have been effective. Little wonder then on the growing concerns whether the problem is with national Generally Accepted Accounting Practices (GAAPs) and if recourse to International Accounting Reporting Standards such as International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and International Public Sector Accounting Standards (IPSAS) are remedies to the problem.

It is increasingly becoming obvious that White Collar Crime (WCC) is endemic in developing economies. This mode of financial crime is so rampant and topical in Nigeria that there is no gain saying the fact that it may be one of the significant factors moving the country towards becoming a failed state and constitute a threat toits corporate existence. See appendix 1 captioned “A profile of fraud in Nigeria” for instances of white collar crimes in the country and Appendix 2 for instances of international dimension of the crime.

Osisioma (2012) succinctly put the matter thus, that Fraud is systemic in Nigeria and has stultified growth and national development. That it has also subverted the national values and norms, hence any remedial measure that does not address core and ingrained character defects in the leaders and followers will amount to naught. Furthermore, that what is needed is a strong accountability framework an integrity system and a new generation of leaders.

This crime, a reminiscence of Sutherland classic thesis (Sutherland, 1949) on white collar crime, is estimated to be over twenty times the costs of street crimes each year and with the increasing complexity of global and local financing and the intensity of business competition and advancement in Information and Communication Technology, it has become harder to detect and more tempting to commit (Singleton T. Singleton A., Bologna & Lindquist, 2006).

Literature avers that International Financial Reporting Standards (IFRS) is richer and wider in scope and coverage than most national standards and that its disclosure requirements are vast and it also ensures sound corporate governance. Ramin (2014) argued that mandatory adoption of International Financial Reporting Standards (IFRS) by the European Commission provided a basis for combating fraudulent financial reporting in European security markets. Strikingly, when entities like the World Bank review a country's financial and legal regulatory framework under its Review of Standards and Codes

(ROSC),IFRS are attributed to be of very high quality (ROSC, 2004). It is reputed that over one hundred countries worldwide currently require or permit the use of IFRS. Such countries include Argentina, Australia, Brazil, Canada, the European Union, Japan, Mexico, Republic of Korea, Russia and Nigeria.

It is even averred in literature that inappropriate financial reporting standards are one of the contributing factors in the recent world economic crisis. Therefore, the need for well consider global initiative to Standard setting need not be overemphasized and hence the justification of IFRS. However, in spite of the preponderance of accounting standards (national GAAP and IFRS) White Collar Crime is very much on rampage globally, to the chagrin of human society(Ofuegbu & Okoye, 2006).It is yet to be seen if compliance with IFRS and the public sector variant (International Public Sector Accounting Standards - IPSAS) can effectively eradicate the wide spate of corporate financial scams.

We gleaned from literature on this subject, that owing to public pressure or expectation from auditors the public is asking from audit what it was not primary designed to achieve, that is to detect fraud. Traditionally, audit ought to be one of the red flags indicating that fraud has occurred and ascertain whether or not such fraud materially affected the financial report as to warrant auditor's adverse opinion on the report. In other words, the primary duty of an auditor is not fraud detection willy-nilly. Then, if this is the case, we must ascertain the body of knowledge to which we must recourse, to help in curbing financial scams. This is also one of the issues that this study is addressing.

1.2 STATEMENT OF PROBLEM

Production of fraud free financial reports has remained a global challenge in spite preponderance of Accountings Standards (National and International) and their glowing attributes. From reported cases of white collar crimesas stated above people of high status still use financial report to conceal fraud.According to Association of Certified Fraud Examiners (2008) occupational fraud and abuse widely encompass corruption, misappropriation of assets, and Fraudulent Financial Reports. This study is on production of Fraud Free Financial Reports; an off shoot of white collar crime.

Prior researches assertedthat owing to the need to understand fraud antecedents and improve fraud detection researchers have taken either a confirmatory or exploratory approach in developing predictors that explain and predict fraud (the works of Perols, 2008; Dechow, Larson& Sloan, 2007; Azira, 2012and Nia, 2015 are instances). In particular,Perols (2008)argued that there hasbeen relatively little agreement in the results from the exploratory research as to what variables are significant predictors of fraud. The author further arguedthat the efficacy of financial statement fraud detection depends on the classification algorithms and the fraud predictors used and how they are combined. According to him, there are forty one variables found to be good predictors in prior fraud researches inclusive of the three he examined.

Carcello and Dinos (2008) avowed that Fraudulent Financial Report (FFR) has been an issue of great concern to the business community. That although previous academic and professional researchers offered important insights into the problem, FFR remains difficult to detect and represents serious threat to investor confidence. In conclusion, they believe that much more remains to be learned about FFR.

This study notes that to the best of our knowledge the thrust of prior researches is largely on identification of indicators of fraudulent financial reports rather than identification and evaluation of significant contributors to production of fraud free financial reports which is the thrust of this study. Moreover, despite preponderance of financial statement fraud detection models,occurrence of fraudulent financial reports has not abated. In our view, evaluation of the key determinants of (or contributors to production of)fraud free financial reports has not received attention of researchers, especially in Nigeria. This is the research gap this study is filling. The study evaluated key determinants of fraud free financial reports and ascertained the extent each of the determinants can be relied upon to produce fraud free financial report.The determinants under examination in this study are International Accounting Reporting

Standards,internal control, corporate governance, whistle blowing, auditor's education level and auditor's independence.

1.3 OBJECTIVE OF THE STUDY

The broad objective of this study is to ascertain the effect of International Accounting Reporting Standards (IARS), Internal Controls (IC), Corporate Governance (CG), Whistle Blowing (WB), Auditor's Education level (AE) and Auditor's Independence(AI)on financial reports.The specific objectives of the study are as follows:

1. To determine if there is significant positive relationship between International Accounting Reporting Standards and production of fraud free financial reports.
2. To determine if there is significant positive relationship between Internal Controls and production of fraud free financial reports.
3. To ascertain if there is significant positive relationship between Corporate Governance and production of fraud free financial reports.
4. To determine if there is significant positive relationship between whistle blowing and production of fraud free financial reports.
5. To determine if there is significant positive relationship between Auditor's Education Level and production of fraud free financial reports.
6. To determine if there is significant positive relationship between Auditor'sIndependence and production of fraud free financial reports.

7. To determine the impact/effectof International Accounting Reporting Standards, internal control, corporate governance, whistle blowing, auditor’s education level and auditor’s independence on fraud free financial reports amongst Nigerian Banks.
8. To determine if International Accounting Reporting Standards played significant role in stemming the rate of fraud in Nigerian banks.
9. To ascertain if compliance with International Accounting Reporting Standards can ensure production of fraud free financial reports in Nigerian public sector.

1.4.1 RESEARCH QUESTIONS

1. What is the relationship between International Accounting Reporting Standards and production of fraud free financial reports?
2. What is the relationship between Internal Controls and production of fraud free financial reports?
3. What is the relationship between Corporate Governance and production of fraud free financial reports?
4. What is the relationship between whistle blowing and production of fraud free financial reports?
5. What is the relationship between Auditor’s Education Level and production of fraud free financial reports?

6. What is the relationship between Auditor’s Independence and production of fraud free financial reports?
7. What is the impact/effect of International Accounting Reporting Standards, internal control, corporate governance codes, whistle blowing, auditor’s education level and auditor’s independenceon determination of Fraud Free Financial Reports?
8. To what extent did implementation of International Accounting Reporting Standards stemmed the rate of fraud in Nigerian banks?
9. What is the relationship between compliance with International Accounting Reporting Standards by Nigerian public sector and production of fraud free financial reports in the sector?

1.5 HYPOTHESES

In order to achieve the above objectives the following hypotheses stated in their null form were formulated.

1. There is no significant positive relationship between International Accounting Reporting Standardsand production of fraud free financial reports.
2. There is no significant positive relationship between Internal Controls and production of fraud free financial reports.

3. There is no significant positiverelationship between Corporate Governance and production of fraud free financial reports.
4. There is no significant positiverelationship between whistle blowing and production of fraud free financial reports.
5. There is no significant positiverelationship between Auditor’s Education Level and production of fraud free financial reports.
6. There is no significant positiverelationship between Auditor’s Independence and production of fraud free financial reports.
7. International Accounting Reporting Standards, internal control, corporate governance, whistle blowing, auditor’s education level and auditor’s independence have no significant impact/effecton Fraud Free Financial Reports.
8. Implementation of International Accounting Reporting Standards did not significantly stemincidences of financial frauds in Nigerian banks in pre and post implementation periods.
9. There is no significant positive relationship between compliance with accounting standards and production of fraud free financial reports in Nigerian public sector.

1.6 SCOPE OF THE STUDY

This research deals with frauds in financial reports that are committed by people of high status in the course of their occupation (Sutherland, 1983).It is also restricted to frauds at corporate levels. The empirical analysis was carried out using data from government in Nigeria (Federal, State and Local) and fifteen commercial bankslisted by NigerianStock Exchange. The period covered is 2001 to 2014.

1.7SIGNIFICANCE OF THE STUDY

As stated earlier Fraud occurrence is as old as man (FITC, 2013) and it is self-evident that the level of its sophistication is the same as that of the human society where it occurred. Therefore, at each point in time the challenges of fraud will vary. Consequently, it behoves human society to continually assess the means by which they are combating the menace.

As aforementioned the astronomical looting of Nigeria public treasury through white collar crimes and the detrimental impact of such fraud on the society at large are worrisome. Reports by Honourable Faruk Lawan and Ribadu Task Force/Panel on Oil subsidy all in 2012 are mind-boggling. This study addresses the central issue of whether or not IFRS, IAS, IPSAS, ISA, PSP are helping to discern, deter and/or prevent financial statement fraud, for it is yet to be seen if compliance with them alone can effectively eradicate the wide spate of corporate (public and private) financial scams in Nigeria. To the best of our knowledge no study of these Standards as fraud combating tools has been undertaken in Nigeria but there are plethora of research works on implementation and compliance with the standards but none of them has critically examined whether or not the not too impressive level of compliance with the standards especially in developing economies such as Nigeria is due to the nature of the standards themselves. These issues are addressed in this dissertation.In addition, litigation support which is the core area of forensic accounting appears to be poor in Nigeria hence, in our view, it has been difficult for courts to convict Nigerian political office holders because of faulty charges either as conspirators or targeted crime suspects. Owing to paucity of knowledge on information gathering on financial matters, trump-up charges are often made by our law enforcement officers and those charges are easily dismissed in court (Charges against ex-Governors of States in Nigeria are typical) despite preponderance of overt and covert financial facts that the crimes actually occurred. This study intends to proffer remedies to the shortcomings that may be identified on the extant WCC combating measures.

We noted however that extant studies on fraud in Nigeria are very emotional and each of them appears to suggest that its conclusion and recommendations are exhaustive. This study intends to be a proof that since we are in a dynamic world and fraud is old as man, for Nigeria to be a knowledge driven society more researches should be carried out on fraud with a view to determining where we have gone wrong in the fight against it and how the menace could be curbed.

Specifically, the findings of the study will be of immense benefit to the Economic and Financial Crime Commission (EFCC), Independent Corrupt Practices Commission (ICPC), Financial Reporting Council of Nigerian, International Federation of Accountants (IFAC), Nigerian Judiciary, Government Agencies, Research Scholars, Central Bank of Nigeria (CBN), Security and Exchange Commission (SEC), Corporate Affairs Commission (CAC), and similar institutions and bodies.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This study pertains to the application of Accounting Standards as White Collar Crime combating tools, in other words it is about combating frauds through ensuring that financial reports complied with Accounting Standards and other accounting measures.

2.1 CONCEPTUAL FRAMEWORK

Sutherland (1949) thesis on “Differential Association” averred that White Collar Crime is a financial motivated nonviolent crime committed by person/s of high social status in the course of their occupation. The thesis brought the concept and its devastating consequences to the fore in global public discourse. Our experiences in Nigeria as will be exposed in this study appear to be giving credence to the assertions in Sutherland’s work.

On the other part, Wikipedia (2014) advanced a legal perspective to fraud definitions by positing that in law fraud is a willful deception with intent to secure unfair or unlawful gain over others.

This study examined factors that can ensure Fraud Free Financial Report (FFFR) as part of efforts to combat white collar crimes. The key constructs that are critical in ensuring Fraud Free Financial Reportare Accounting Standards, Accountants' Education, Auditors' Independence, Corporate Governance, Whistle blowing and Internal Controls (Brett, 2006) .The relationship amongst them can be conceptualized at a fairly general level as shown below.

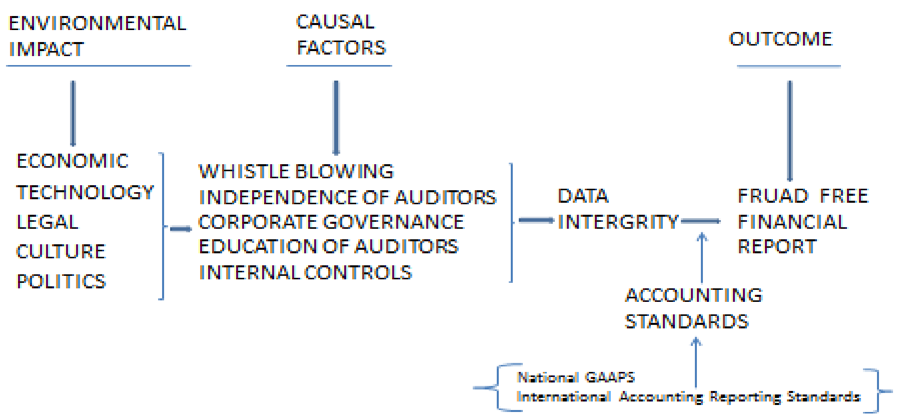

Figure 2. 1 SCHEMATIC DIAGRAM OF THE VARIABLES UNDER EXAMINATION

Source: Researcher's design, 2014

To the best of our knowledge figures 2.1 above is the researcher's works.

Accounting Standards as tools for combating fraud include National General Accepted Accounting Practices (NGAAP) such as Statement of Accounting Standard (SAS) issued by Nigerian Accounting Standard Boardand the

International Accounting Reporting Standards (IARS) comprising International Financial Reporting Standard (IFRS), International Public Sector Accounting Standard (IPSAS), International Standard of Audit (ISA) and the Public Sector Perspective (PSP).

Accountants education pertains to up-skilling accountants to enable them unravel fraud especially in the face of sophistication in technology and the pervasiveness of cybercrimes (Brett, 2006). Auditor's independence encompasses issues that can bring about the auditor mortgaging their consciences which include their appointment procedures, overstay in office (tenure) and remunerations. The conceptual underpin of Corporate Governance in a firm appears to be the presumption that provisions in the code of corporate governance compensate for ineffective laws and weak enforcement of regulations or laws in the larger society. In our view, it is an attempt to ensure that interests of all stakeholders in a corporate body are protected. While whistle blowing on the other part is about public complaints and ensuring that the complaints pass through the right channel/s. Literature has it that this intent can only be achieved if and only if the whistle blower (complainant) is protected by law and there are assurances that their complaints will be addressed. We also assumed that the absence of such assurances may be responsible for the docility of citizen and the degeneracy in our society.Finally, Internal Controls are all measures put in place by an organization to ensure completeness, accuracy and reliability of its accounting documents/records and safety of its assets as well.

Biosah (2009) drew our attention to the fact that International Accounting Standards(IASs) are applied on already generated data by management and that the integrity of such data is beyond the scope of IARSs. The author also asserted that standards themselves cannot ensure reliability and authenticity of source of data used in preparing financial reports.

On the other part, Brett (2006) as stated earlier, drew our attention to the following pillars that ensure integrity of the data used in preparing financial report namely Auditor's Education, Auditors' Independence, Internal Controls, Whistle blowing and Corporate Governance. The process flow of the relationship amongst the variables is shown in figure 2.2 below.

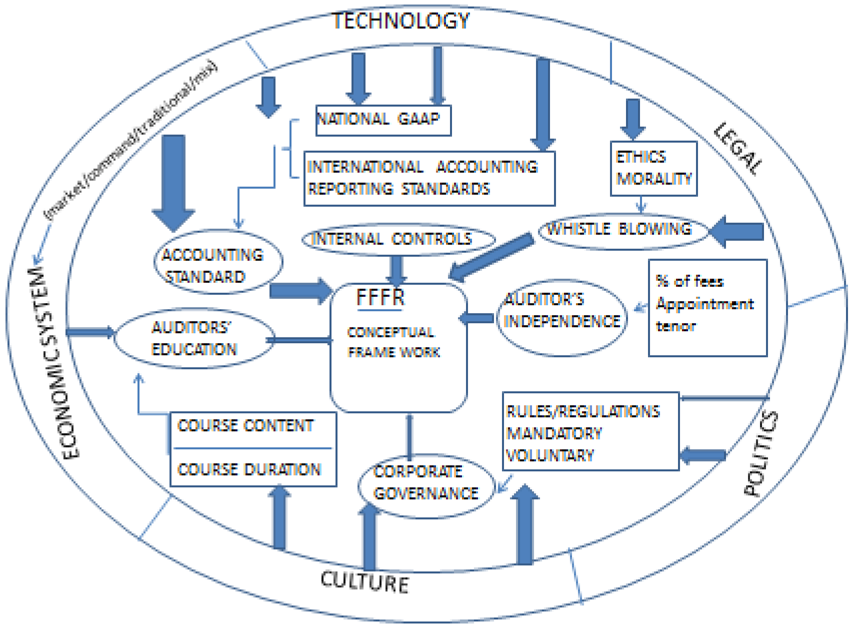

Figure 2. 2 PROCESS FLOW OF THE VARIABLES

SOURCE: Researcher's design, 2014.

As also stated earlier, to the best of our knowledge figures 2.1 and 2.2 above are the researcher's works.

The outer layer of figure 2.2 contains environmental factors namely;economy, technology, legal, politics and culture that impinge on each other and also impinge on the variables in the inner cycle. The main variables (in the inner cycle) are Accounting Standards, Education of Accountants, Corporate Governance, Auditors Independence, Internal Controls and Whistle Blowing while the subordinated variables to each of them are in rectangular boxes. Notice that all of the variables impact on FFFR(core of the inner cycle).

In the milieu of the above scheme, we extracted the main variables (Accounting Standards, Internal Controls, Education of Accountants, Corporate Governance, Auditors Independence, and Whistle Blowing) for close examination with a view to ascertaining the key determinants of FFFR and the extent to which each of them can prevent fraud both at country and firm/enterprise levels (see model in chapter 3.9).

In our opinion as supported by the literature reviewed Fraud typology, magnitude and mode of perpetration reflect the development stage of the environment in which it occurs. Therefore, there is need to investigate the extent to which each of the construct above ensures fraud free financial reports.

2.2 FORENSIC ACCOUNTING

This body of knowledge is in the realm of accounting jurisprudence. Succinctly put, it is an investigation of financial crime and dispute resolution using scientific methods. It helps law enforcement officers to ascertain breach of laws and regulations and ultimately provide substantial support for litigation of financial crime (Singleton T. Singleton A., Bologna & Lindquist, 2006).The body of knowledge covers the following, Auditing, accounting, quantitative methods, finance, some areas of law, ICT, Investigative skill (detective), Evidence – collection, analyse, evaluation, structured gathering of evidence – documentary, testimony. Richard Nossen 7 Skills comprising Interview, Physical and electronic analysis, Documents and background information, confidential sources, surveillance, intelligence and undercover operations and financial transaction analysis, Communication skills- attestation and assurance services.

Singleton, Bologna, Lindquist and Singleton (2006) are of the view that forensic accounting covers the above steps and the investigation techniques are;interview of knowledgeable persons, physical and electronic evidence analysis, document and background information review, confidential sources, surveillance both electronic and physical, intelligence and undercover operations and financial transactions analysis.Well (2003) asserted that a Certified fraud examiners (CFEs) must demonstrate knowledge in four areas: an understanding of fraudulent financial transactions, the legal elements of fraud, criminological and fraud investigative skills. The author argued that “A good fraud examiner is part cop, part accountant, part psychologist and part lawyer”.

Fraud examination methodology assumes from the outset that all fraud cases will end in litigation. This places the burden on the fraud examiner to see that his or her actions can withstand the harsh light of the courtroom. Evidence must be gathered legally, witnesses may not be threatened or coerced and confessions must be obtained voluntarily. The fraud examination process as shown in figure 2.3 below centres on the fraud theory approach which has four sequential steps: analysing the available data, developing a fraud theory, revising it as necessary and confirming it.

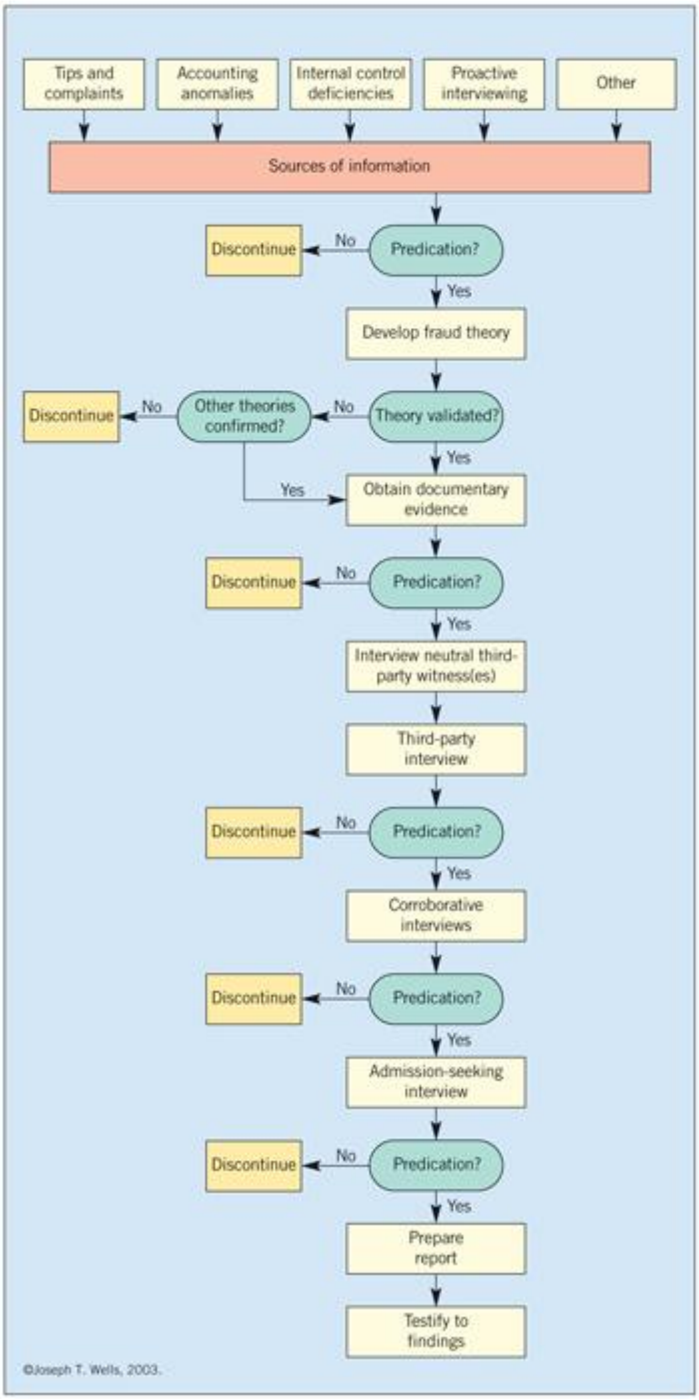

Figure 2. 3 FRAUD EXAMINATION PROCESS

Source: Well (2003) cited by Holmes (2003)

We stated below in the theoretical framework of this study, while considering fraud management cycle posited by Wesley (2004) that Accounting Standards are deterrent and preventive measures, suffice therefore to state here also that prevention is more of stopping a thing from happening while combating is both preventive and fighting what has happened. Therefore to fight what has happened, it appears that we need more forensic accounting experts than sophistication of accounting standards.

2.2.1 THE SARBANES–OXLEY ACT OF 2002 (SOX)

It is also worthy to state here that in 2002 United States of America faced the issue of white collar crime frontally by enacting the Sarbanes–Oxley Act (2002) (SOX). The act set enhanced standards for all USApublic companies and public accounting firms as a result of wide spate of corporate scandals such as Enron, Tyco International, Adelphia, Peregrine Systems and WorldCom cases. The act contained 11 sections ranging from additional corporate board responsibilities to criminal penalties and requires the Securities and Exchange Commission (SEC) to implement rulings on requirements to comply with the law. We may recall that in adopting rules to implement the Sarbanes–Oxley Act SEC created the Public Company Accounting Oversight Board, (PCAOB), charged with overseeing, regulating, inspecting and disciplining accounting firms in their roles as auditors of public companies. Major issues covered by the act included auditors independence, corporate governance, internal controls and financial disclosures.

Suraj (2008) summarised the specific mandates of the act as shown below.

1. It created Public Company Accounting Oversight Board (PCAOB)

   The Board provides independent oversight on public accounting firms and was tasked with registration of auditors amongst other issues.

2. It established standards for external auditor independence. It also addresses new auditor approval requirements, audit partner rotation, and auditor reporting requirements. It restricts auditing companies from providing non-audit services (for instance, consulting) for the same clients.

3. It asserts that senior executives take individual responsibility for the accuracy and completeness of corporate financial reports. It defines the interaction of external auditors and corporate audit committees, and specifies the responsibility of corporate officers for the accuracy and validity of corporate financial reports. It enumerated specific limits on the behaviors of corporate officers and describes specific forfeitures of benefits and civil penalties for non-compliance. For instance, Section 302 stipulated that the company's principal officers certify and approve the integrity of their company financial reports.

4. It described enhanced reporting requirements for financial transactions, including off-balance-sheet transactions, pro-forma figures and stock transactions of corporate officers. It required internal controls for assuring

the accuracy of financial reports and disclosures, and mandated both audits and reports on those controls.

5. It defined the codes of conduct for securities analysts and requires disclosure of knowable conflicts of interest.

6. Defined practices to restore investor confidence in securities analysts. It also defines the SEC's authority to censure or bar securities professionals from practice and defines conditions under which a person can be barred from practicing as a broker, advisor, or dealer.

7. Required the Comptroller General and the SEC to perform various studies and report their findings. Studies and reports include the effects of consolidation of public accounting firms, the role of credit rating agencies in the operation of securities markets, securities violations and enforcement actions.

8. It described specific criminal penalties for manipulation, destruction or alteration of financial records or other interference with investigations, while providing certain protections for whistle-blowers.

9. It increased the criminal penalties associated with white-collar crimes and conspiracies. It recommended stronger sentencing guidelines and

specifically added failure to certify corporate financial reports as a criminal offense.

10. It stated that the Chief Executive Officer should sign the company tax return.

11. It identified corporate fraud and records tampering as criminal offenses and joins those offenses to specific penalties.

Nocera (2005) noted that debates have continued over the benefits and costs of SOX. The author also noted that opponents of the act claimed it has reduced America's international competitive edge against foreign financial service providers, asserting that it has introduced a complex regulatory regime into USA financial markets. The author also stated that on the other part proponents of the act insist that the act has been a "godsend" for improving the confidence of fund managers and other investors with regard to the authenticity of corporate financial statements.

It is also worthy to state here that Japan, Germany, France, Italy, Australia, India, South Africa, and Turkey have enacted similar act. Nigeria response appears to be FRCN Act 2011.

2.2.2 WHISTLE BLOWERS

Whistle blowing which is regarded as reporting of wrongdoing within an organization to internal and external parties (Sarbanes-Oxley Act, 2002) has attracted legislative attention in the Western World. That following the False Claims Act of 1863, the Whistle blowing Act of 1989 and its amendment in 1994, the United States of America enacted the Sarbanes-Oxley Act in 2002 which provided for a mandatory confidential anonymous whistleblower hotline to be made available for use by company staff. Four years earlier, in the UK the Public Interest Disclosure Act was also enacted. Similarly, in Australia (in 2001), the Whistle blowing protection Act was enacted.

However, in Nigeria there is absence of legal protection for whistle blowers. This type of protection would have been a veritable tool to check the spate of white collar crimes in the country as practiced in advance economies. Note that as stated earlier USA has Public Company Accounting Oversight Board (PCAOB) and Nigeria equivalent may be the inspection unit of NASB or the new Directorate of Inspections and Monitoring of FRCN, as also highlighted above, which appears to be grossly ineffective so far.

Literature had it that beyond the recent sporadic and ad hoc responses of the Central Bank of Nigeria and the Economic and Financial Crimes Commission to the current non-performing loan debacle in the banking sector, it appears that laws that are to forestall white collar crimes are not in existence in the country.

It is surprising therefore that Nigeria with rampant cases of white collar crimes, relevant regulatory authorities in the country have not considered it expedient to create a system whereby whistle blowing can thrive and effectively use the process to alert internal and external authorities of wrongdoings in corporate bodies. It stands to good reason that whistles blowing cannot thrive if the whistleblower is not guaranteed of protection or confidentiality. It is argued that if there were whistleblowers unhealthy banking practices that rocked the management of some banks in Nigeria would have been open to the relevant agencies much earlier before Central Bank of Nigeria discovered them.

Suffice to state here however that Nigerian Banks as part of their corporate governance report now establish whistle blowing procedure that attempt to ensure anonymity. They now provide hot telephone lines and dedicated e-mail addresses for whistle blowers (Oceanic Bank International PLc, 2010) all under the auspices of their compliant officer.

The foregoing appear to be a clarion call on the regulatory agencies in Nigeria to start considering the inclusion of whistle blowing provisions in the codes of corporate governance and the relevant laws guiding the operations and conduct of corporate bodies in the country.

2.2.3 REVIEW OF RELEVANT STANDARDS

Nigerian Standards are the Statement of Accounting Standards (SASs) while the international equivalents are the International Accounting Standards

(IASs),International Financial Reporting Standards (IFRSs) and International Public Sector Accounting Standards (IPSAS).

Set out hereunder are overviews of relevant standards to the issues under examination. The most relevant of which is information to be disclosed in financial statement because the often reported cases of corporate scandals bother on concealment of financial information. Existing International Financial Reporting Standards are in appendix 14 while Nigerian standards are in appendix 15 and International Public Sector Accounting Standards (IPSAS) are in appendix 16.

Suffice to state here that IPSAS are from International Federation of Accountants Committee (IFAC) as no local standard exist and that the standard are slight modifications to the International Financial Reporting Standards (IFRS) and the modifications were to accommodate public sector peculiarities.

The standards are sponsored by International Monetary Fund and the World Bank. The Board has so far issued 31 standards all based on accrual bases of accounting and only one standard is on cash basis of accounting. A summary of each of the standards is in appendix 16. Nigerian public sector is however adopting modified cash basis of accounting standard but intends to migrate to accrual bases in yet to be publicly announced date.

2.2.4 INTERNATIONAL FINANCIAL REPORTING STANDARD FRAMEWORK

It dealt with the following; objectives of financial statements, qualitative characteristics of financial statements, elements of financial statements, recognition of the elements of financial statements, measurement of the elements of financial statements, and concepts of capital and capital maintenance. Interestingly, most of the features therein are intended to combat fraudulent financial reports.

IFRS 1

IFRS 1 is directed at first time adopters of IFRS its objective is to ensure that an entity'sfirst financial statements provide a suitable starting point, are transparent to users, and are comparableover all periods presented.

The Standard specifically covers the following;

• comparable (prior period) information that is to be provided,

• identification of the basis of reporting,

• retrospective application of IFRS information,

• formal identification of the reporting and the transition date.

2.2.5 SAS2 Overview

This local standard is titled information to be disclosed in financial statements. It accords substantially with International Accounting Standard (IAS) 5.

Paragraph 12 of the standard states that financial statement should comprise of the following, statement of accounting policies, balance sheet, profit and loss account or income statement, notes on the accounts, statement of source and application of funds, value added statement and five-year financial summary.

In Nigeria many companies have suffered financial scandals and some of the charges bordered on non-disclosure of relevant financial information and it is yet to be seen if the Nigeria Accounting Standard Board (NASB) before its abrogation or the FRCN has charged and convicted any person for such scandals.

2.2.6 Overview of SAS 15

Similarly, the above SAS is on disclosure in financial statements of banks and similar financial institutions. It is in accord with International Accounting Standard (IAS) 30, BOFI (1991) and CAMA (1990). It dwelt extensively on income recognition. Another sensitive area touched by the standard is additional disclosure requirements aside SAS 2. Methods and bases for loan or securities losses and nature of off-balance sheet engagements and the method used to recognise income or loss thereon were covered (paragraph 87 of the SAS).

Following the publication in October 1990 of the Statement of Accounting Standard (SAS) 10 and 15, accounting by banks and non-bank financial institutions there appear to be uniformity in presentation of financial report by these institutions except for the recent moves (since 2008) for application of

IFRSs by some banks in Nigeria that have cross boarder operations especially in the West Africa Sub region and UK (Access Bank, Zenith Bank Plc, GTB Plc and UBA Plcare instances). It is acclaimed that IFRS ensures more in depth disclosure and transparency in financial reports. The standards are discussed further below.

The Relevant National and International reporting standards for the above institutions are as follows;

SAS 10: Accounting by Banks and Non- Bank (part 1)

SAS 15: Accounting by Banks and Non-Bank financial institutions (part 11)

IAS 30: Disclosures in the financial statement of Banks and similar Institutions which is in tandem with SAS 10 above.

IAS 32: Financial instruments: Disclosure and presentation

IFRS 7: This standard replaced IAS 30 and to some extent, except disclosure requirements, IAS 32.

IFRS 9 appears to have concluded International Accounting Standard Board financial instrument project and is a replacement for IAS 39. It dwelt on Financial Instrument: Recognition and Measurement. The issues covered are requirements for recognition and measurement of impairment, derecognition and general hedge accounting including issues such as adoption of fair value change due to own credit on liabilities designated as fair value through profit or loss. It introduced a new expected loss impairment model and limited changes to the classification and measurement for financial assets. It will come to full effect from 1st January 2018 and early adoptionis permitted.

SAS 10 Accounting by Banks and Non-Banks: SAS 10 focuses on three main areas of concern relating to accounting practices followed by banks namely;

Income recognition, Loss recognition and Balance sheet classification.

The essence of the standard is to provide a guide for accounting policies and accounting methods that should be followed by banks (part 1) and similar institutions (part 11) in preparing financial reports in order to ensure reliability and comparability of such reports across the industry.

This need was brought to the fore following deregulation of banking in Nigeria and the need for uniformity and consistency in their presentation of financial reports. The standard came into force in 1990 for financial statements with year ended 31st December for that and subsequent years.

Income Recognition

The standard stated that banks generally derive revenues from interest income on loan and advances commission on turnover, transfer fees, arrangement fees, syndication fees, commitment fees, lease rentals, income from the sale of commercial paper, foreign exchange, banker's acceptances and discounting of bills. Banks also charge for rendering other financial and trust services to their customers. Banks generally recognize their revenues when they are earned or realized. Many banks recognize credit related fee income which is significant in relation to interest earned, when the credit facility are granted rather than deferring such income recognition over the life of the related credit risk as an adjustment of the yield on the credit.

Continuing the Standard asserted that in respect of loans and advances, income is usually earned over the period of the outstanding credit at contracted yield, in proportion to the outstanding balance, to the extent that collectability is not in doubt anyway. The classification of loans and advances as non-performing, so as to put related interest income in suspense is a controversial issue. While some banks take such interest into suspense account, other takes it into interest income thereby overstating profits. However the standard stipulated that banks should make general loan loss provision of a least 1% of risk asset not specifically provided for in addition to specific provision.

Another critical issue addressed by the standard is off balance sheet engagements of the companies in the industry such as guarantees, acceptances, letter of credits, bid bonds, etc. It stipulated that a bank should disclose the nature and amount of contingencies and commitments arising from the off balance sheet engagements it undertook and analyze classes of contingencies.

Hitherto disclosures of such events were done in arbitrary and inconsistent manner.

On the International Standard part, Deloitte (2009) web site posited that, IFRS 7 adds certain new disclosures about financial instruments to those currently required by IAS 32; replaces the disclosures now required by IAS 30; and puts all of those financial instruments disclosures together in a new standard on Financial Instruments: Disclosures. The remaining parts of IAS 32 dealt only with financial instruments presentation matters.

The standard stipulates that an entity must group its financial instruments into classes of similar instruments and, when disclosures are required, make disclosures by class [IFRS 7.6].

2.3 THEORETICAL REVIEW

Fraud has received considerable attention in literature. As stated earlier, this study pertains to production of fraud free financial reports. Therefore, the study is anchored on the work of Brett (2006) and Biosah (2009).Brett (2006) theory states that internal controls, auditor independence, auditors' education, and corporate governance are the four pillars that ensure the soundness of financial report. According to him, the four must all work together for accounting standards to be properly implemented. He is of the strong view that to deter white collar crime, companies need to build better barriers through strong internal controls and that we also require an accounting profession with a higher level of education, training and skills. Finally, that we need the implementation of laws like Sarbanes Oxley Act. He faulted the syllabi of accounting professional institutes asserting that their respective curriculum does not cover issues such as criminology and interviewing skills that are very necessarily to detect fraud and similar corporate irregularities.

In the same vein, Nancy (2006) quoting the confession of Sam Antar (the Chief Financial Officer of “Crazy Eddie”), stated thatlack of basic education on the part of the auditors, make them essentially incapable of detecting fraud and that they know nothing about criminology. He posited that auditors in many cases do not know how to ask the right questions. More so that accounting students are not trained to conduct field interviews.

He opined also that legislation such as Sarbanes Oxley cannot be effective unless it is properly incorporated into the education of accounting students and that these students simply do not have enough education on issues such as white collar fraud, internal controls, securities laws, accounting standards, and auditing standards and techniques.

Biosah (2009) postulations are very relevant for the purpose of this study. The author stated that one of the ethical issues in accounting is that companies must present their financial statement in an accurate and reliable manner regardless of the standard in which the financial statements were prepared. Strikingly, since the governing bodies of these accounting standards are not responsible for the source of data used for the preparation of these financial statements, the onus is still on the management of these corporate bodies that utilizes either national GAAP or IFRS in ascertaining that their financials are accurate.He further postulated that regardless of what standard is used, all financial statements are primarily management's "HONEST" representation of the company's performance and therefore it is caveat emptor (consumers beware).

He then advised users of financial reports to accept all financial statements with skepticisms and that they should not take every figure in financial statements hook-line-and-sinker, because management's allegiance is first to their company before the interest of other corporate stakeholders. In other words standards cannot ensure reliability and authenticity of sources of data used in preparing the financial statements.

In like manner on the issue of fraud free financial reports Wesley (2004) canvassed Fraud Management Lifecycle which according to himis consist of eight stages. The theory stated the actions, activities, processes, procedures, organizational designs, economic analysis, and intra-entity exchanges necessary to manage and reduce the impact of fraudulent activity. However, we do not agree with the use of the words "life cycle" in the caption of their theory because, in our opinion, life cycle implies a continuum of birth, maturity and death which is not the case in their theory under discussion. A better title, in our view, should be "Steps in Fraud Management".

The first step is deterrence which is characterized by actions and activities intended to stop or prevent fraud before it is attempted. The second step is prevention which entails actions and activities to prevent fraud from occurring. The third step is detection which includes actions and activities, such as statistical monitoring programs used to identify and locate fraud prior to, during, and subsequent to the completion of the fraudulent activity. The intent of detection is to uncover or reveal the presence of fraud or a fraud attempt.

Mitigation is the fourth step. It comprises measures aimed at stopping losses from occurring or continuing to occur and/or hinder a fraudster from continuing or completing the fraudulent activity. The fifth step is analysis (such as root cause analysis) which is identification and study to determine factors responsible for loss situation that occurred despite deterrence, detection, and prevention activities. The sixth step is policy which is characterized by activities to create, evaluate, communicate, and assist in the deployment of policies to reduce the incidence of fraud. Policy such as "any cash transaction over N100,000 must be reported to the Managing Director".

Investigation which is the seventh step involves obtaining enough evidence and information to stop fraudulent activity, recover assets or obtain restitution, and provide evidence and support for the successful prosecution and conviction of the fraudster(s). According to them electronic surveillance is a method used in this stage. The final step is prosecution stage which is the culmination of all the successes and failures in steps in Fraud Management. This stage includes asset recovery, criminal restitution, and conviction.

Interestingly, in the steps, in our opinion International Accounting Reporting Standards appears to be means for ensuring deterrence and prevention of fraud only. The rest of the steps (75%) appear to be within the purview of forensic accounting.

Finally, on White Collar Crime, Emerson (1950) in his work drew our attention to Sutherland’s thesis which states that crime has its genesis in the same general process as other criminal behavior, namely, differential association. He postulated that criminal behavior is learned in association with those who define such behavior favorably and in isolation from those who define it unfavorably. He further asserted that a person in the right situation engages in such criminal behavior if the weight of the favorable definitions exceeds the weight of the unfavorable definitions.

Put simply, Sutherland posits that crime is learned from intimate personal groups and that it is not genetic. This study however pertains to ascertainment of whether or not compliance with accounting standards alone can be relied upon to produce fraud free financial reports and if not, what could be done to remedy the situation.

2.4 STANDARD SETTING BACKGROUND

Abubakar (2011) asserted that freedom of incorporation is global hence businesses grew continuously and more and more people continued to own stocks and that owners rarely managed the corporations, instead, managers ran the corporations at their whims. That most owners take little interest in the management of their corporations and that managers have few consequences for mismanagement, implying that managers could easily use the corporation to enrich themselves.

There lies the main thrust of the theory of corporate governance which is about the ways all parties interested in the well-being of a corporation (the stakeholders) attempt to ensure that managersand other insiders take measures or adopt mechanisms that safeguard the interests of the entire stakeholders (Ahmadu, Aminu & Tukur, 2005). In other words, stakeholders rather than agency theory in corporate governance is implied here. The author citing the work of Klapper and Love (2002) posited that firm-level corporate governance provisions matter more in countries with weak legal (orregulatory) environments, implying that “firms can partially compensate for ineffectivelaws and enforcement by establishing good corporate governance and providing credibleinvestor protection”. Moreover, high profile corporate failures globally have helped to bring to the fore the important role that the strengthening of corporate governance could play in wiping the corporate world of fraudulent financial reports.

Continuing on the difference between managers and owners of business,Abubakar (2011) asserted further that this era began around 1844 when the English Company Act was enacted and it continued until the stock market crash in 1926. The author viewed monopoly practices, price fixing, speculation, and market manipulation as part of the big business (cited Giroux, 1999) during the era and that it was also the same position before the market crash in 1929. Arguing further the author stated that these perceived market and accounting abuses led to bigger and increased government regulations on the securities markets and financial reporting of corporations. In other words, the depression experienced in the United States of America gave rise to Accounting standardizations in America. Similarly, in England, a conglomerate of accounting professional bodies formed the Accounting Standard Committee that set standards for the country. Abubakar (2011) summed it by asserting that standardization in these two countries influenced other countries of the world which in our view include Nigeria.

2.5 INTERNATIONAL ACCOUNTING REPORTING STANDARDS

As stated earlier the essence of accounting standard is to provide a common set of principles of measurement and disclosure or put simply a guide for accounting policies and accounting methods that should be followed in preparing financial reports in order to ensure reliability and comparability of the reports (Haskin, Ferris & Selling, 2000and Ghartey, 2002).

Specifically, IFRS is principle based standards with interpretations and framework adopted and issued by the International Accounting Standards Board (IASB) designed to provide guidance on format and information contents of financial statements and to ensure that such statements are reliable, understandable, comparable and relevant. Remarkably, it is not only accounting matters that are covered in IFRS, but matters relating to the entire business with a view to enabling users to better understand how the business is managed, what risk/s the business is exposed to and what impact these have on the entire financial result of the corporation.

We state hereunder the vision and mission of the International Federation of Accountants (IFAC), as set out in its constitution:

> ... to serve the public interest, strengthen the accountancy profession worldwide and contribute to the development of strong international economies by establishing and promoting adherence to high quality professional standards, furthering the international convergence of such standards, and speaking out on public interest issues where the profession's expertise is most relevant.

Other reassuring comments on IFRS as argued by John, Frédéric and Ana, (2004) are that globalization of businesses has brought to the fore the need for universally comparable financial statement not only in format of disclosure but in the treatment of accounting issues. Moreover, world economies are interconnected and nations are desirous of moving forward by freeing themselves from the limits of their national General Accepted Accounting Practices. Finally, that high quality financial reporting such as those from IFRS contributes to promoting private sector growth and reduces volatility.

2.6 CONTEXTUAL RELEVANCE OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

This study notes that IFRS is reputed to be principle based and do not recognise national peculiarities. In other words it appears that International standards do not adequately reflect economic, social or legal realities peculiar to each nation. Moreover, the standards are one-size-fits-all; micro, small or medium enterprise all must conform to the same standards. Except for some guide lines that IASB is proposing to issue.

It is a truism that the accounting challenges faced by Multinational corporations arose as a result of different countries having different accounting standards resulting from cultural settings, legal, economic and political environments peculiar to each country,hence their struggles to harmonise national standards. Haskin, Ferris &Selling (2000, p.16) put it succinctly as follows:

> …financial reporting practices are a consequence of various contextual factors that include a country's 1) dominant culture, 2) system of taxation, 3) role of capital market, and 4) business-government relations.

It goes without saying therefore that the needs of users of accounting information varies from country to country hence the enormity of the challenges in unifying (Harmonization) global accounting standards. Contrary to the basic assumptions of the international standards there are plethora of empirical studies that support the view that accounting practice is influenced by environmental factors. For instance Iyoha (2011) argued that thorough understanding of the environment in which financial reporting occurs is a prerequisite to understanding and appreciating the quality of accounting practice in any country. Furthermore, that no profession in any country is excluded from the influence of changes in the business environment. Because the forces of change inexorably exert influence on the profession, the shape of the competitive landscape changes, old paradigms die and new paradigms emerge and dominate. What is implied in the preceding assertion is that the interplay of the various factors in the business environment such as the type and stage of economic development, the political and legal status, the regulatory framework in place as well as societal values may influence the nature, purpose, possibilities and limitations of development of accounting profession in the environment and in turn the quality of accounting practice.

The author further buttress his arguments by stating that researchers have identified the reasons for differences in development of accounting professions among countries of the world and the researchers are shown in the following parenthesis (Mueller,1967; Harrison & Mckinnon, 1986; Gray, 1988;, Choi & Mueller, 1992; Radebaugh, Gray &Black, 2006; Lawrence, 1996; Hassab, Epps, & Said, 2001).

We noted further that Nigerian Accounting Standard Board was formed in 1982 on the initiative of Institute of Chartered Accountants of Nigeria when it became obvious that many of the International Accounting Standards were not of immediate relevance to Nigerian accounting needs (Wallace, 1988). In other words, in Nigeria global standards preceded the setting of national standards and the global standards did not completely meet the needs of user of accounting information in Nigeria.

Therefore, the recent euphoria on adoption of global standards in Nigerian financial sector appears to be worrisome as it has brought to the fore the issue of contextual relevance of accounting standards because international differences in accounting standards arose from varying economic, legal, social, and environmental peculiarities of different countries as stated above. The worries appear to be whether or not such peculiarities are no more significant. This study notes that proponents of standards harmonisation have averred that convergence of standards amongst nations is incontrovertible. Obazee (2008) succinctly posited that the globalisation of capital markets is an irreversible process, and that there are many potential benefits to be gained from mutually recognised and respected international accounting standards. That common standard cut the costs of doing business across borders by reducing the need for supplementary information.

Non-proponents on the other hand argue that the above assertion may not in any way justify enforcement of internationally harmonised standards willy-nilly on any organisation whether or not it is a financial institution because the needs of users of accounting information varies from country to country hence the enormity of the challenges in unifying (Harmonization) global accounting standards.

Suffice to state here that Sidney et al (1982) postulated thatto understand the nature of accounting principles, it may be necessary to contrast them with principles in physics and mathematics. That in physics and other natural sciences, a principle is a description derived by repeated experiments and testing of the relationship between two physical object or events. The criterion for evaluating a principle in physics is the degree to which the predictions indicated by the principle correspond with physically observed phenomena (empirical evidence). According to them in mathematics, a principle is a description based on logical reasoning of the relationship between sets of mathematics symbols. The criterion for evaluating a principle in mathematics is the internal consistency of the principle with, the accepted set of definitions and axioms. They stated that Accounting principles are descriptions of the manner in which particular transactions and events are measured and then reported in a set of financial statements. Unlike those in the physical sciences, principles in accounting do not naturally exist and awaiting discovery. Unlike mathematics, accounting has no structured definitions and concepts that can be rigorously and unambiguously used in developing accounting principles acceptable to preparers and users of financial statements. Accounting Principles are developed on a formulation through deductive or inductive process.

Therefore, it may be correct to assert that accounting principles are environmental dependent and evolve over time. Put differently, what is good and acceptable in one environment may not be suitable for another environment. Non-universality of principles is therefore a serious challenge to un-wholesome adoption of IFRS which attempts to harmonise national standards.

Another critical environmental factor which standards ought to give outmost consideration to is the culture of the people of which corruption is a subset, for instance, Iyoha (2011) opined that the problem of corruption in Nigeria and its influence on accounting practices can be traced to the various changes in its socio-political and economic environment. The author postulated that Nigeria has had its own transformation since independence. That these changes include experimentation with different styles of governmentand military dictatorship of different kinds, different economic experiences and changing fortunes of the people-from poverty, through civil war, affluence, to crippling depression and many ethnic tensions. In his view, this transformation within the Nigeria economy has significantly influenced the accounting practice in many respects.

Economic conditions are also major determinant in the development of a country's accounting profession. As economies develop, it is argued, the social function of accounting to measure and communicate economic data becomes important (Belkaoui, 1985 and Hassab, Epps& Said, 2001). Similarly, Zeghal and Mhedhbi (2006) argued that in countries where the level of economic growth is relatively high, "the social function of accountancy as an instrument of measurement and communication is of considerable importance." These arguments are based on the premise that "the more advanced levels of economic development are associated with relatively high levels of disclosure and reporting practices. In countries with extremely low levels of economic development, there is very little economic activity and accordingly, the accounting profession is highly undeveloped" (Arpan &Radbaugh, 1985).

In the same vein the income tax laws of countries have influence on accounting practice and development. Belkauoi (1985), asserts that the tax system of each country defines directly and most frequently the conduct of business and hence the practice of accounting. The author concludes that subject to the constraints imposed by company law, tax law has a major influence on accounting practice. That many companies follow aspects of the tax laws rather than accounting principles in their measurement of periodic accounting profit and justify a particular practice according to whether it is permitted by tax law rather than accounting principle.

The sophistication of education of accountants is also critical to accountants' ability to develop and perform their duties and responsibilities. Hence education can be said to be the pillar for modern complex accounting system. This view is in tandem with the case of crazy eddy cited earlier.

2.7 STANDARDS COMPLIANCE

In spite of the preponderance of accounting standards Nigeria corporations (public and private) are experiencing white collar crimes bothering on manipulation of accounts and concealment of information that compliance with the standards ought to have checked. Another striking issue is that the standards are principle based and not rule based. By principles-based standards it means that the mode on how organisation should operate their business should shift from dictating detailed rules and supervisory actions to stating desired regulatory outcomes. In other words, regulatory bodies avoid imposing detailed rules and specific process on corporate bodies. Put simply, principle base standards set out desirable regulatory outcomes not detailed rules and permit exercise of professional judgments. Shortridge and Myring (2009) however asserted that a key concern arising from the recent business scandals is that USA accounting standards have become "rules-based" filled with specific details in an attempt to address as many potential contingencies as possible and that this has made standards longer and more complex, and has led to arbitrary criteria for accounting treatments that allow companies to structure transactions to circumvent unfavorable reporting. Furthermore that the quest for bright-line accounting rules has shifted the goal of professional judgment from consideration of the best accounting treatment to concern for explaining the letter of the rule.

It is often argued that most accounting standard Boards have it that one of the overriding financial accounting concepts is the usefulness of accounting information to decision makers which implies that the information should be relevant, reliable, and comparable across reporting periods and entities. Therefore, if the only requirements were that information be relevant and reliable, entities would adopt reporting methods to best reflect the economic realities for their particular entity and that this would make comparison between companies and across reporting periods virtually impossible for users of the accounting information. Literature is also replete with the view that the problem arises when standards setters approach the difficult task of determining the appropriate level of detailed guidance to achieve sufficient comparability and consistency in financial statements. It is also argued that a principles-based standard often becomes a rules-based standard in an effort to increase comparability and consistency.

Conversely, there is a consensus in literature that there are potential drawbacks to a principles-based approach to standards setting.For instance a lack of precise guidelines could create inconsistencies in the application of standards across organizations. For example, companies are required to recognize both an expense and a liability for a contingent liability that is probable and estimable. If there are no precise guidelines, how then will companies determine if liabilities are probable or only reasonably possible? Arising from the foregoing, many accountants seem to prefer rules-based standards, possibly because of their concerns about the potential of litigation over their exercise of judgment in the absence of rules.

In spite of the foregoing efforts by Global and Local communities to produce robust Accounting Standards Ofoegbu and Okoye (2006) remarked that several years after the inception of the development of accounting standards, the need to call for sound financial reporting, accountability and transparency has ever continued to arise all over the globe. That the situations and problems, which led to establishment of standards in those years are still with us today and that there are still market failure, greed, fraudulent tendencies, financial crises, financial instability and others.

2.8 EMPIRICAL REVIEW

Perols (2008) argued that owing to the need to understanding fraud antecedents and improved fraud detection researchers have taken either a confirmatory or exploratory approach in developing new predictors that explain and predict fraud. That the exploratory predictor research has taken a large number of variables, for example red flags proposed in Statement of Audit Standards No. 53 and No. 82, and financial statement ratios, and either mapped these variables to fraud frameworks and/or tested their explanatory power. He argued further that there hasbeen relatively little agreement in the results from the exploratory research as to what variables are significant predictors of fraud and that the efficacy of financial statement fraud detection depends on the classification algorithms and the fraud predictors used and how they are combined. He used data mining technique for the analyses. Essentially data mining technique searches for systematic relationship amongst variables (Berry & Linoff, 2000). The results showed that total discretionary accruals, meeting or beating analyst forecasts and unexpected employee productivity are significant predictors of fraud. According to him there are 41 variables found to be good predictors in prior fraud research inclusive of the three examined in his work. His study revealed that the three predictors are significant predictors of fraud and when evaluated together with the other 38 predictors, provide utility to classification algorithms.

In an effort to develop a model that can predicts manipulated financial reports Dechow, Larson and Sloan (2007) studied SEC (USA) Accounting and Auditing Enforcement Releases (AAERs) from 1982 through 2005. They examined financial statement variables, off-balance sheet and non-financial variables, and market-related variables. According to them, financial statement variables useful in predicting fraud are those that measure accrual quality and firm performance which include operating leases, abnormal changes in employees, and order backlog. The book-to-market and earnings-to-price ratios were considered to be useful market-related variables in predicting accounting manipulations, as are prior stock price performance and the amount of new financing.

Azira (2012) explored the impact of adoption of IAS 39 under IFRS implementation on bank income smoothing activities, bank pro-cyclic behaviour through loan loss provisions and the earning of banks (earning volatility). He took a sample of commercial banks from six countries over the period 1995 to 2009 and investigated the impact of IFRS on adopters and non-adopters using inferential statistical tools. The study revealed that IFRS lead to reduction in income smoothing activities through loan loss provisions for IFRS adopters. The author argued that IFRS mitigate earning management, increase market efficiency, reduce firms cost of capital and reduce investors cost to access the financial information across firms. On the other hand,according him, IFRSs are complex, costly, burdensome, lacking in guidance and with unstable impact on the profit and loss account.We noted however that many studies have been carried out on compliance with accounting standards.Abubakar (2011) carried out a study on the relationship between the extent of compliance to accounting standards and performance of Nigerian businesses. The study covered the period 2000 to 2006, forty four listed companies were sampled (those listed since 1983 by Nigerian Stock Exchange and are still surviving at the time of the study). The standards were subjected to content analysis (compliance index) with a view to ascertaining the provisions therein that were complied with. Pearson product moment, Spearman ranked correlation coefficient and sample t-test were used in the study. The study revealed that Nigerian companies do comply with standards issued by The Nigerian Accounting Standard Board but that the level of compliance is however below the international benchmark of 91%. The study further revealed that compliance with accounting standards resulted in improved profitability and asset position. However the researcher asserted that the improvements were marginal and mostly insignificant and recommended that more standards that can improve business performance should be issued and that business practices and procedures should be reviewed continuously with a view to identifying best practices that can be developed to standards.

Oghuma and Iyoha (2005) cited by Sadiq (2009) investigated the level of compliance of listed insurance companies to accountingstandards. Their sample size was 15 out of 25 listed insurance companies. Their research techniques are similar to those used by Abubakar (2011). Data were captured through questionnaire and Likert five point scale tool was used. Out of 11 relevant standards only in few instances did the researchers observed noncompliance. Izedomin(2001) investigated the level of compliance to accounting standards in the banking industry using the same research techniques as those used by Abubakar (2011). The study revealed that they generally comply with NGAAP despite their contravention of Bank and Other Financial Institution Act 1991.

Adeyemi (2005) as cited by Sadiq (2009) on his part studied the impacts that compliance has on financial reporting. From a study of 96 companies using the same research techniques as those of Abubakar (2011) and multiple regression technique, the researcher revealed that Nigerian companies comply with accounting standards but that the level of compliance is less than the international benchmark of 91%, and there are variations in the depth of disclosure by the companies studied. On the impact compliance has on financial reporting, the study revealed that there is a significant positive impact and that there is no significant relationship between audit firms' size and compliance with accounting standards in Nigeria.

Adeyemi (2005) work is similar to that of Wallace (1988) that also examined disclosure practice by Nigerian companies, in compliance with Nigerian accounting standards using the research techniques as enumerated above. The study revealed that company size, ownership structure, company age, multinational affiliation, auditors' size, number of employees, stock exchange listing and profitability are associated with disclosure level.

Kantudu, (2005) assessed the level of compliance with the requirement of SAS No 2 "Information to be disclosed in financial statement" by Nigerian Quoted Companies. Based on a study of 25 sample firms, data for 5 years (1998 to 2003), the study revealed that gap exists between requirement of the standard and disclosure practice of listed firms. The researcher investigated the impact of enforcement power given to Nigerian Accounting Standard Board on compliance, specifically, with the standard on employees' retirement benefits. The investigation was based on 10 years study of 30 companies and the result was that the Act has significantly influenced the application index. The same research techniques as enumerated abovewere deployed. The study also showed that there is less variability on the application of accounting standard on employee retirement benefit between quoted firms in Nigeria.

We show below salient findings from prior researches on fraudulent financial reports. Beneish (1999) and Dechow, Sloan & Sweeney (1996) examined fraud incentives related to the debt covenant hypothesis. In earnings management, the debt covenant hypothesis predicts that when firms are close to violating debt covenants managers will use income-increasing discretionary accruals to avoid violating the covenants (Dichev &Skinner 2002). Both authors hypothesized a positive relation between demand for external financing and fraud, and between incentives related to avoiding debt covenant violations and fraud. Demand for 37 external financing was measured in both studies as whether the difference between cash flows from operations and average capital expenditures to current assets and whether securities were issued in the fraud period. Incentives related to avoiding debt covenant violations are measured in both studies using leverage and actual instances of technical default. The results of the studies are mixed with Dechow having support for the hypothesized relationships and Beneish finding no support.Beneish (1999) also found support for managers redeem stock appreciation rights.

In a similar study, Summers and Sweeney (1998) examined insider sales and purchases. In addition to dollar amounts sold and purchased, Summers and Sweeney (1998) measure the number of shares and number of transactions in insider sales and purchases using descriptive and inferential statistical tools. They found out that only the number of shares sold is a moderately significant predictor of fraud. Burgstahler and Eames (2006) focused on earnings management motivations in a fraud context and examined compensation and debt incentives but not fraud incentives related to capital market expectations, specifically the relation between analyst forecasts and fraud was examined. Their capital market expectation hypotheses predict that managers have incentives to manipulate earnings to meet or exceed analyst forecasts when these forecasts would not otherwise have been met or exceeded. These incentives are related to manager performance and compensation, and firm performance in general, which are often evaluated based on meeting or exceeding analyst expectations.

Prior fraud literature has also identified the revenue account as being the primary target for financial statement fraud (Beneish, 1999). The scholar asserts that given that the revenue account is typically manipulated, unusual revenue levels or changes in revenue might be indicative of revenue fraud. According to him considering that revenue varies from year to year and among firms for reasons other than fraud, straight revenue is a relatively noisy measure of fraud. His example is an indication that it is very difficult to disentangle differences in revenue due to fraud from differences in revenue due to the size of the firm and the successfulness of the firm. He argued further that to detect revenue fraud, SAS No. 99 highlights the need to analyse and identify unusual relationships involving revenue, for example between revenue and production capacity.

Prior researches have also included sales in various ratios that are not, typically, designed for the purpose of detecting revenue fraud. Nevertheless, the results from these studies are largely consistent with fraud firms manipulating the revenue account.

Nia (2015) investigated financial ratios between fraudulent and non-fraudulent firms listed in Tehran stock exchange using logistic regression and t-test. The sample used in their test is 134 companies. The period covered is 2009 to 2014. The work revealed that there is significant difference between the mean of current assets to total assets, inventory to total assets and revenue to total assets ratios. Indicating that management of fraudulent firms may be less competitive than management of non-fraud firms in using assets to generate revenue. In supporting his work Nia (2015) posited that analysis of ratios of account balances is a widely applied attention-direction procedure. That ratio analysis identifies material monetary error in actual accounting data. For instance financial leverage, capital turnover, asset composition, and firm size are indicators of fraudulent financial report (citing Person, 1995). The author also posited that analytical procedures (auditing tools) involve analysis of trends, ratios, and reasonableness tests derived from an entity's financial and operating results.

The table below (Nia, 2014, p.39) summarizes the work of others on predicting fraudulent financial report.

Table 2. 1 EMPIRICAL WORKS ON FRAUD DETECTION

AUTHOR(S)	YEAR	COUNTRY	RESULTS
Persons	1995	N/A	In total, ten variables including eight ratios, were examined and used to develop two predictive logistic models. One model was for the fraud year and the other for the preceding year. Stepwise-logistic models indicated that financial leverage, capital turnover, assets composition and firm size were significant factors influencing the likelihood of fraudulent financial reporting.
Kaminski et al.	2004	N/A	The fraudulent firms were matched with non-fraudulent firms using this matched matched-pairs design ratio analysis for a seven-year period was conducted on 21 ratios. Overall, 16 ratios were found to be significant. Of these only three rations were significant for three time period. Of the 16 statistically significant ratios only five were significant during the period prior to the fraud year, Using discriminant analysis misclassification for fraud ranged from 58% to 98%
Grove and Bassilico	2008	N/A	For identifying both fraud and non-fraud one year before the frauds became public knowledge, this model had overall 76 % accuracy with 14% type 1 error and 10% type 11 errors. Three ratios in the model really drove these results: the gross margin index, the sales growth index and the accounts receivable index.
Dani et al.	2013	Malaysia	The study tests eleven financial ratios, The logistic regression was used, The result show that all the financial ratios have significant relationships with fraudulent financial reporting except for

			gross profit to assets ratio, percentage of inventory to total assets, gross margin index and z-scores.
Amaechi and Nnanyereugo	2013	Nigeria	Logistic regression was used in analysing data. The study revealed 16 significant ratios out of 29 financial ratios used for the study as being capable of aiding detection of fraud in the financial statements.
Dani et al.	2013	Malaysia	Investigated whether there are any significant differences between the means of financial ratios of fraudulent and non-fraudulent firms and to identify which financial ratio is significant to detect fraudulent reporting. The study found that there are significant mean differences between the fraud and non-fraud firms in ratios such as total debt to total equity, account receivables to sales. In addition, Z score which measures the bankruptcy probability is significant to detect fraudulent financial reporting.

Source: Nia, 2014, p.39

Below are the common predictive models used by prior researchers.

A. Altman Z-score

Z=1.2(working capital/total assets)+1.4(retain earnings/total assets)+3.3(earnings before interest and tax/total assets)+0.06(market value of equity/book value of total debt)+1.0(sales/total assets)

The level of financial distress had been classified in three zones of discrimination:

1. Z scores that are less than 1.81 is an indicator that the firm is in distress zone
2. Scores between 1.81 and 2.99 indicate that the firm is in grey zone

B. Scores more than 2.99 indicate the firm is in safe zone.

C. Beneish(1999) M-Score

Mathematical model that use financial ratio to identify whether a firm has manipulated its earnings.

M-score show the degree to which the earnings have been manipulated.

Table 2. 2 THE VARIABLES

DSRI	**Days sales in receivable index**	**(Receivable/sales)/(receiveablet-1/salest-1)**
GMI	Gross margin index	Salest-1-cost of goods soldt-1/(salest-cost of salest/salest)
AQI	Assets quality index	1-current assetst+PP&E/TOTAL ASSETSt/(1-current assetst-1+PP&E/total assetst-1)
SGI	Sales growth index	Salest/salest-1
DEPI	Depreciation index	Depreciationt-1/depreciation+PP&Et-1/(depreciation/depreciationt+PP&Et)
SGAI	Sales and general administration index	Sales general and admin exp/salest/(Sales general and admin expt-1/salest-1
LVGI	Leverage index	LTDt+current liabilitiest/total

		assetst/(LTDt-1+current liabilitiest-1/total assetst-1)
TATA	Total accrual to total assets	Current assetst-casht-current liabiliiest-current maturity of LTD-income tax payable-depreciation and amortizationt/(total assets)

Once calculated the eight variables are combined to achieve an M-score as shown below.

M-score=-4.84+.920DSRI+.528GMI+.404AQI+.892SGI+-115DEPI+.177SGAI+4.769TATA-.327LVGI

M-score less than -2.22 suggest that the firm will not be a manipulator. M-score greater than -2.22 suggest that the firm is likely to be a manipulator of financial report.

Ranti (2011) examined the relationships that exist between governance mechanisms and financial performance in the Nigerian consolidated banks on one part and the level of corporate governance disclosure index among Nigerian banks and their performance on the other part. The Pearson Correlation and the regression analysis were used to find out whether there is a relationship between the corporate governance variables and firm's performance. The author observed that a negative but significant relationship exists between board size, board composition and the financial performance of these banks, while a positive and significant relationship was also noticed between directors' equity interest, level of governance disclosure and performance. He asserts that there is no uniformity in the disclosure of corporate governance practices by the banks. The proxies that were used for corporate governance are: board size, the proportion of non- executive directors, directors' equity interest and corporate governance disclosure index. Proxies used for the financial performance of the banks are: return on equity (ROE) and return on asset (ROA). To examine the level of corporate governance disclosures of the sampled banks, the content analysis method was used. Using the content analysis, a disclosure index was developed for each bank using the Nigerian post consolidation code and the Organization for Economic Cooperation and Development (OECD) code of corporate governance. This was used together with the papers prepared by the UN Secretariatfor the nineteenth and the twentieth session of International Standards of Accounting and Reporting (ISAR), entitled “Transparency and Disclosure Requirements for Corporate Governance” and “Guidance on Good Practices in Corporate Governance Disclosure” respectively.

Beasley, Carcello, andHermanson, 1999in their work revealed that members of senior management often are involved in perpetrating FFR and FFR firms generally have weak overall corporate governance implying either that they do not have audit committee or had committee that met only once per year or had audit committees that lacked accounting and financial expertise, or had boards of directors that were dominated by inside and grey directors and or had the company founder serving as the CEO or the original company CEO was still in that position.

On their part, Dechow, Sloan, and Sweeney (1996) found out that fraud firms, relative to control firms are more likely to have a board dominated by management or have the same person serving as CEO and Chairman of the Board or have a CEO who is also the company's founder or have an audit committee or have an outside block shareholder.

According to Association of Certified Fraud Examiners (2008) and KPMG (2003)auditors, particularly external auditors are not effective in detecting fraud given fraud's strategic nature. As a result, the most effective mechanisms for detecting fraud generally are internal controls and tips from those inside, or connected to, the entity committing the fraud. Their work is on the effectiveness of whistle blowing on fraud detection and prevention.

Akintola and Oyewole (2013) examined the effects of internal control system on fraud detection in selected Nigerian commercial banks. A number of fraud cases, persons involved, amount involved, total loss, equity, asset, loan advances,profit before tax, profit after tax and tax among others were examined. Ten (10) banks were randomly selected from the15 banks with their headquarters in Lagos, statistical tools such as correlation analysis, regression analysis containing fixed effects (FE), random effects (RE) and feasible generalized least square (FGLS) of panel data analysis were deployed thus:

$FCít = F(Txít, \pi aít, Eqít, LoAít, Amít, Yrít)$

$FCít = \alpha 0 + \alpha 1 Tx\ ít + \alpha 2\ \pi aít + \alpha 3\ Eqít + \alpha 4\ LOAít + \alpha 5\ AMít + \alpha 6 Yrít$

Where; FCit: Causes of fraud/Antecedents of fraud in bank ί in year t,

Txít: Tax of bank ί in year t:

Eqít: Equity of bank ί in year t.

AMít: Amount of Loss in bank ί in year t

LoAít: Loan advances of bank ί in year t

πbít: Profit before tax of bank ί in year t

πaít: Profit after tax of bank ί in year t

Two hypothesis were formulated and tested; one to find out the relationship between internal control system on fraud detection; the second to test the relationship between employee's training on fraud detection in Nigerian commercial banks.The study found out that proper, well designed employee training techniques improves fraud detection and adequate employee training on internal control system also has effect on fraud detection and that there is strong and significant relationship between employee training and fraud detection in Nigerian commercial banks.

Nieschwietz B. J., Schultz J. J. &Zimbelman M. F. (2000) in their study on auditors' education as it pertains to detection of fraud used field survey method to establish that we need researches on empirical derived fraud risk assessment model to improve auditors' service delivery. That many auditors continue with unaided judgement for fraud risk assessment despite available mechanical or statistical aids. This in our view is a pointer to deficiency in training of auditors as asserted in the work of Brett (2006) and also explain audit expectation gap in the work of Koh(1998). That is the different belief between the auditors and the public as to auditors' duties and responsibilities and the message conveyed by auditors' report. The works established need for auditors toup-skillin order to improvetheir performances.

Sockley (1981) examined the effects of competition, managerial accounting services, audit firm size and tenor on the risk that auditors independent may be impaired. Factorial analysis of variance was deployed for the study. They found out that small size audit firms and audit firms providing managerial accounting services together with audit services to the same client have higher risk of losing independence. Independence was affirmed by them to be part of the assurances that auditing services is not compromised by the auditors' dependence on a client. They affirmed that auditors' independence and professionalism should be strengthen and adapted to present time in order to assure the public of high quality audit service.

2.8.1 CONCLUSION ON EMPIRICAL REVIEW

In spite extensive researches on fraud prediction and accounting standards implementation, to the best of our knowledge, no study has been conducted in Nigeria on the use of International Accounting Reporting Standards as a white collar combating tool. Furthermore, none of them evaluated the key determinants of fraud free financial report nor addressed the issue of why financial reports are not completely fraud free in spite preponderance of accounting standards. This is the knowledge gap this study is addressing.

2.9 SUMMARY OF REVIEW OF RELATED LITERATURE

The rampaging high profile financial crimes in Nigeria and what has been or is being done to prevent or combat them is the fulcrum on which the review of the extant literature on this matter was based. The relevant areas are renowned theories on fraud free financial reports, International Accounting Reporting Standards, compliance with the standards andForensic Accounting. The summary deals with the significant contentions in each of the areas.

2.9.1 Renowned theories on fraud

In this study we examined four renowned theories of fraud, namely those of Brett (2006), Biosah (2009), Sutherland (1949) (white collar crime), Cressey (1950) (fraud triangle) and Wesley (2004). Remarkably, Wesley (2004) canvassed Fraud Management Lifecycle which in the author's view is comprised of eight stages. Interestingly, in our opinion International Accounting

Reporting Standards appears to be means for ensuring deterrence and prevention of fraud which is only two of the stages. The rest of the stages appear to be within the purview of forensic accounting. Sutherland (1949) on his part posits that crime is learned from intimate personal groups and that it is not genetic.

We noted that arguably the extant theories on fraud did not establish the extent to which we can rely on compliance with accounting standards to unravel fraud/white collar crimes. This study therefore intends to fill the gap.

2.9.2 International Accounting Reporting Standards

Arguably, the essence of accounting standard is to provide a common set of principles of measurement and disclosure or put simply a guide for accounting policies and accounting methods that should be followed in preparing financial reports (Haskin, Ferris & Selling, 2000 and Ghartey, 2002). Specifically, IFRS are principle based with interpretations and framework adopted and issued by the International Accounting Standards Board (IASB). They are designed to provide guidance on format and information contents of financial statements. Remarkably, it is not only accounting matters that are covered in IFRS, but matters relating to the entire business with a view to enabling users to better understand how the business is managed, what risk/s the business is exposed to and what impact these have on the entire financial result of the corporation.

Reassuring comments on IFRS as argued by John, Frédéricand Ana, (2004) are that globalization of businesses has brought to the fore the need for financial statements that are comparable in every sense including format of disclosure and treatment of accounting issues.

However, the view of Biosah (2009) held sway in this study. The author posited that one of the ethical issues in accounting is that companies must present their financial statement in an accurate and reliable manner regardless of the standard in which the financial statements were prepared. Strikingly, since the governing bodies of these accounting standards are not responsible for the source of data used for the preparation of these financial statements, the onus is still on the management of these corporate bodies that utilizes either national GAAP or IFRS in ascertaining that their financials are accurate.He went further to say that regardless of what standard is used, all financial statements are primarily management's "HONEST" representation of the company's performance. He therefore advices users of financial reports to accept all financial statements with scepticisms and that they should not take every figure in financial statements hook-line-and-sinker, because management's allegiance is first to their company before the interest of other corporate stakeholders. In other words standards cannot ensure reliability and authenticity of sources of data used in preparing the financial statements.

Brett (2006) on his part drew our attention to the following pillars that ensure integrity of the data used in preparing financial report namely Accountants' Education, Auditors' Independence, Internal Controls, whistle blowing and Corporate Governance.

This study notes that IFRSs do not recognise national peculiarities.In other words it appears that International standards do not adequately reflect economic, social or legal realities peculiar to each nation. Moreover, the standards are one-size-fits-all; micro, small or medium enterprise all must conform to the same standards. Except for some guide lines that IASB is proposing to issue. It is a truism that the accounting challenges faced by Multinational corporations arose as a result of different countries having different accounting standards resulting from cultural settings, legal, economic and political environments peculiar to each country, hence their struggles to harmonise national standards.

We noted further that Nigerian Accounting Standard Board was formed in 1982 on the initiative of the Institute of Chartered Accountants of Nigeria when it became obvious that many of the International Accounting Standards were not of immediate relevance to Nigerian accounting needs (Wallace, 1988). In other words, in Nigeria global standards preceded the setting of national standards and the global standards did not completely meet the needs of user of accounting information in Nigeria.Therefore, the recent euphoria on adoption of global standards in Nigerian financial sector appears to be worrisome as it has brought to the fore the issue of contextual relevance of accounting standards because international differences in accounting standards arose from varying economic, legal, social, and environmental peculiarities of different countries as stated above. The worries appear to be whether or not such peculiarities are no more significant. This study notes that proponents of standards harmonisation have averred that convergence of standards amongst nations is incontrovertible. Non-proponents on the other hand argue that the above assertion may not in any way justify enforcement of internationally harmonised standards willy-nilly on any organisation whether or not it is a financial institution because the needs of users of accounting information varies from country to country hence the enormity of the challenges in unifying global accounting standards.

On 28th July, 2010 the Federal Executive Council (FEC) decided that Nigerian corporations will adopt IFRS from 2012. In other words compliance with IFRS became mandatory in Nigeria from 2012 but was voluntary before that date. We noted however that the banks have since 2008 started implementation of IFRS in Nigeria especially those that have cross boarder operations especially in the West Africa Sub region and UK. Specifically, FEC phased the adoption of the global accounting standard and is to commence in January 2012 by publicly quoted companies. Other Public Interest Entities (PIEs) are to converge to IFRS by 1 January, 2013 and small and medium size entities will converge by 1 January, 2014.

2.9.3 EMPIRICAL STUDIES ON COMPLIANCE WITH THE STANDARDS

We reviewed sundry research works on fraudulent financial reports, fraud prediction models and studies on compliance with accounting standards amongst them are: Oghuma and Iyoha (2005) investigated the level of compliance of listed insurance companies to accountingstandards, Izedomin(2001) investigated the level of compliance to accounting standards in the banking industry. To the best of our knowledge no study of IARS as fraud combating tools has been undertaken in Nigeria and as stated earlier this study intends to fill the gap.

CHAPTER THREE

METHODOLOGY

Presented hereunder are the research design, study population, sample size, sampling technique, type of questionnaire, methodology of data collection and analysis, model specification and model estimation techniques used in this study.

3.1 RESEARCH DESIGN

Ex-post facto and descriptive research designswere used in this study. The ex-post facto research design uses fact after occurrence of the phenomenon (secondary data). The secondary data in this study were used either to support or refute the results from questionnaire administered during the study.In order to ascertain the perception and judgments of the focal group of this study we used descriptive research technique. Survey method being part of descriptive research technique is deemed appropriate for this studybecause of the opportunity it afforded the researcher to collect a wide range of freely expressed opinion about the subject under investigation and without any attempt to manipulate or control them (Asika, 1991). The questionnaire was adapted from Iyoha (2011). The primary data used were obtained through the administration of Likert five-point scale questionnaire to respondents. The respondents are accounting staff of Accountant General Office, accounting staff of office of the Auditor General (both States and Local Governments) and bankers. The specialise nature of this study made it imperative to seek responses from such calibre of persons because their accounting qualifications and exposures are to add credibility to the findings of the study.

3.2 STUDY POPULATION

Owing to the frenzy associated with the adoption of IFRS and IPSAS by banksand the public sector respectively, both sectors were targeted in this study. Nigeria has twenty one banks, out of which fifteen of them are listed as at September, 2015. The public sector comprised a Federal Government, thirty six State Governments, a Federal Capital Territory and 774 Local Governments.The focus groups in this study are members of ICAN, ANAN and CIBN. Their membership size as at 31ST December 2014 is as below.

Table 3. 1 PROFESSIONALS TARGETTED IN THE STUDY

BODIES	NUMBER
ANAN	21,000
ICAN	39,107
CIBN	113, 134
Total	173,241

SOURCE: Compiled by the researcher from ICAN and CIBN 2014 annual reports and ANAN's letter dated February 24, 2014 (estimated figure) in appendices 17, 18,19 and 20.

3.3 SAMPLE SIZE

Secondary data were obtained from the entire population of banks and the public sector, while sample size of the focal group comprising accountants and bankers who questionnaire were administered on was arrived at as shown below.

Applying Yamane (1967) formula on determination of sample size on the total membership of 173,241 professionals (population) will give:

Taro Yamane formula, $n = N / [1 + (Ne^2)]$,

Where:

n is the sample size,

N is the population,

e is the error limit (0.05 on the basis of 95% confidence level)

Therefore, $n = 173{,}241 / [1 + 173{,}241(0.05)^2]$

$n = 399$

Hence, the adequate sample size for the target population is 399 respondents setting $\alpha=0.05$. This implies that responses obtained from this sample can adequately represent the behaviour and claims of the targeted population.

National Population Commission of Nigeria states that Nigeria comprises 36 States and a Federal Capital Territorywith a population of about 140 million (2006 census – see appendix 39).Using stratified sampling technique on the population, the 10 States representing 27% of the entire states chosen for distribution of the questionnaire was arrived at as shown below.

The table below shows how the ten States were selected for distribution of questionnaire. Stratified sampling technique was adopted using population figures of Nigeria as bases, thusfrom "4 million and above group" comprising 12 States 3 States were randomly selected, from "3 million and below 4 million group" comprising 14 States 4 States were randomly selected, "2 million and below 3 million group" comprising 6 States 2 States were randomly selected and from "below 2 million group" comprising 5 State a State was randomly selected for distribution of questionnaire.

Table 3. 2 **STRATIFY SAMPLING**

	FIRST GROUP	SECOND GROUP	THIRD GROUP	FOURTH GROUP	
	4 MILLION AND ABOVE	**3 MILLION AND BELOW 4M**	**2 MILLION AND BELOW 3M**	**BELOW 2 MILLION**	**TOTAL**
NO OF STATES	12	14	6	5	37
NO SAMPLED	3	4	2	1	10
% SAMPLED	0.25	0.29	0.33	0.2	0.27
	AVERAGE: 27% of the population were sampled				
	THE SAMPLED STATES ARE AS FOLLOWS				
	Delta	Edo	Cross River	Bayesa	
	Lagos	Ondo	Ekiti		
	Kaduna	Ogun			
		Osun			

Source: Compiled by the Researcher (2014)

3.4 THE QUESTIONNAIRE

Respondents were required to rank each of the parameters under examination. The rating scale was based on the level of importance that they attach to each of the items listed. A five-point Likert scale was used with a rating of (5) indicating very strong, (4) = strong, (3) = fairly strong, (2) = weak and (1) = very weak. This technique agrees substantially with that used by Iyoha (2011), Firer and Meth (1986) and Courtis (1992) and wasadjudged very suitable. Sample of the questionnaire is in appendix 3.

3.5 SOURCE OF DATA

Secondary data: Financial information from year 2007 to 2010 of the fifteen listed banks were obtained from The Nigerian Stock Exchange factbook 2011/12 and was updated by the Researcher from website of Africanfinancial portal and annual reports from each of the banks. Annual accounts of the state governments were also obtained.

Primary data: questionnaires were administered on public servants in Ministry of Finance, Accountant Generals offices, Auditor General Offices (States and Local Governments)and bankers.

3.6 VALIDITY AND RELIABILITY TESTS

Punch (2003) posited that quality of data should be an "overriding consideration" in deciding the quality of research work, hence the need for these tests. The relationship between constructs and their indicators in the multi-item

Scale construct used in this study were assessed via the reliability and validity of the instruments used which included individual item reliability (factor loading), composite reliabilities (internal consistency), convergent validity and discriminant validity. The ability of some indicators to have low correlation with indicators of dissimilar concepts, which is discriminant validity, was evaluated using correlation coefficient. We also used Mattick and Clarke (1998) test-retest method and concurrent validity method for testing reliability and validity of research instruments. In the authors' view reliability test is ascertainment of consistency of results from the same research instrument. That if the instrument is used and reused after a suitable interval and both results have high correlation (say .9) then the instrument is reliable.

Research instrument reliability is tested through correlation matrix obtained from Microsoft Excel 2010 using toolpak analysis. The outcome is also reinforced from computed Cronbach Alpha. Zaiontz (2014) averred thatCronbach's alpha provides a useful lower bound on reliability. Cronbach's alpha will generally increase when the correlations between the items increase and that for this reason the coefficient measures the internal consistency of the test. That its maximum value is 1, and usually its minimum is 0, although it can be negative. The author posited that a commonly-accepted rule of thumb is that an alpha of 0.7 (some say 0.6) indicates acceptable reliability and 0.8 or higher indicates good reliability.

On the other part, validity is established by comparing the outcomes of the instrument under examination with the outcomes from another instrument that has been previously validated (Hopkins, 2000). All these were put to use in appendix 12on preliminary tests, retest and the outcomes supported our conclusion that the research instruments are reliable and valid. Sample of the questionnaire is in appendix 3.

3.7 DATA ANALYSES AND INTERPRETATION.

The standards under examination as in the review of relevant literature were subjected to content analysis with the aim of determining the features in them that can combat WCC. By this, each feature that can combat WCC and is amenable to monitoring and enforcement was identified and scores were assigned to it. Compliance data on each of the features were also extracted from the accounts of the Governments and Banks under examination.

The study used descriptive statistics (averages, percentages etc) and inferential statistics. First, the responses to the questionnaire were analyzed by using descriptive statistics-frequencies, means and standard deviation. Thereafter Z-test for proportion,Multiple regression, F statistics, Anova analyses and Chow-test using Eview 7, SPSS version 21 and Microsoft excel 2010toolpak packages were deployed for the inferential statistics.

CALCULATION OF Z-TEST FOR DIFFERENCE IN PROPORTION was arrived at as below.

1. Formulate the null and alternative hypothesis
2. Decide upon the α- level. Look up Z $\alpha/2$ and -Z $\alpha/2$ from the table
3. Draw a random sample of a size n from the normal population. calculate x
4. Calculate $Z=(x-\upsilon)/(\sigma/\sqrt{n})$
5. Compare the Z value in step 4 with Z $\alpha/2$ in step 2
   Reject Ho if Z $\geq$ Z $\alpha/2$ or Z less or = to
   -Z $\alpha/2$

SOURCE: Ezejelue, Ogwo, and Nkamnebe (2008,p.175)

COMPUTATION OF THE STANDARD DEVIATION OF THE SAMPLE DISTRIBUTION

$$\sigma = \text{sqrt}[P * (1 - P) / n]$$

where P is the hypothesized value of population proportion in the null hypothesis, and n is the sample size.

Test statistic. The test statistic is a z-score (z) defined by the following equation.

$$Z = (p - P) / \sigma$$

where P is the hypothesized value of population proportion in the null hypothesis, p is the sample proportion, and σ is the standard deviation of the sampling distribution.

We tested hypotheses (1)through (6) with Karl Pearson Product Moment Correlation Coefficient. We used Multiple Regression to show the impact/effects of the independent variables on the dependent variables (FFFR) in hypothesis (7). We used Anova and Chow-test for hypothesis (8) and z-test for proportion for hypothesis (9).

As stated earlier Fraud occurrence is as old as man (FITC, 2013) and it is self-evident that the level of its sophistication is the same as that of the human society where it occurred. Therefore, at each point in time the challenges of fraud will vary. Consequently, it behoves human society to continually assess the means by which it is fighting the menace. It is in this light we are evaluating the various measures accountants are adopting to combat the menace. In our view charting the responses of experts on the various measures is a good barometer that will indicate the measures that are effective at a point in time. Hence on this matter a cross section analysis is preferred to a time series analysis(Wonnacott & Wonnacott, 1977). Furthermore, econometric model for the cross section analysis is formulated to see how indicative the various measures are to ensuring fraud free financial reports.

3.8 MODEL A AND B SPECIFICATIONS

Model A was aimed at the impact of the following independent variables(determinants) on the dependent variable (response variable) Fraud Free Financial Report (FFFR); International Accounting Reporting Standards (IARS), Internal Controls (IC), Corporate Governance (CG), Auditors Independence (AI), Accountants Education(AE) and Whistle Blowing (WB) and the sub-model is based on the vector of Valuation Technique (VT), Application of Accounting Principles (AAP) and Disclosure (DIS) on the independent variable in model A. In other words,we are also to test the dependence of these three variables on the independent variables in model A.

Model A

The model which is investigating the impact of International Accounting Reporting Standards (IARS), Internal Controls (IC), Corporate Governance (CG), Auditors Independence (AI) and Whistle Blowing (WB)on Fraud Free Financial Report(FFFR)is written in a functional form thus:

FFFR = f (IARS, IC,CG, AI, AE, WB)………… (1)

Model B

The dependent variable FFFR is a vector of three components —VT, AAP and DIS

such that the equations model B can be written as:

VT= f (IARS, IC, CG, AI,AE,WB)………… (2)

AAP= f (IARS, IC, CG, AI,AE,WB)………… (3)

DIS= f (IARS, IC, CG, AI,AE,WB)………… (4)

Where:

VT: Valuation Technique

AAP: Application of Accounting Principles

DIS: Disclosure

The main and sub-models are specified into four multiple regression equations. The main model is model 1 and the sub-models are models 2 and 3. Model 1 utilized the composite pooled data while models 2 and 3 separately utilized composite data from responses by Public sector and Banking sub-sector respectively.

Assuming a linear relationship amongst the variables, the specification of the regression equations for the main model (1) and sub-models (2 and 3) above could be explicitly stated as:

Model 1

$FFFR = \alpha 0 + \alpha 1IARS + \alpha 2IC, + \alpha 3CG + \alpha 4AI + \alpha 5AE + \alpha 6WB + u1$ A1

$VT = \beta 0 + \beta 1IARS + \beta 2\ IC + \beta 3CG + \beta 4AI + \beta\ 5AE + \beta 6WB + u1$ A2

$AAP= \varphi 0 + \varphi\ 1IARS + \varphi\ 2IC + \varphi\ 3CG + \varphi\ 4AI + \varphi\ 5AE + \varphi 6WB + u1$ ....

A3

$DIS= \psi 0 + \psi\ 1IARS + \psi\ 2IC + \psi\ 3CG + \psi\ 4AI + \psi 5AE + \psi 6WB + u1$ A4

Model 2

The regression equations using the composite responses for Public Sectoris as follows:

$PFFFR = \alpha 0 + \alpha 1IARS + \alpha 2IC, + \alpha 3CG + \alpha 4AI + \alpha 5AE + \alpha 6WB + u1$ A5

$PVT= \beta 0 + \beta 1IARS + \beta 2\ IC + \beta 3CG + \beta 4AI + \beta 5AE + \beta 6WB + u1$ A6

$PAAP= \varphi 0 + \varphi\ 1IARS + \varphi\ 2IC + \varphi\ 3CG + \varphi\ 4AI + \varphi 5AE + \varphi 6WB + u1$ A7

$PDIS= \psi 0 + \psi\ 1IARS + \psi\ 2IC + \psi\ 3CG + \psi\ 4AI + \psi 5AE + \psi 6WB + u1$. A8

Model 3

While the regression equation using the responses for the Banking Sector is as follows:

$BFFFR = \alpha 0 + \alpha 1IARS + \alpha 2IC, + \alpha 3CG + \alpha 4AI + \alpha 5AE + \alpha 6WB + u1$. A9

$BVT= \beta 0 + \beta 1IARS + \beta 2\ IC + \beta 3CG + \beta 4AI + \beta 5AE + \beta 6WB + u1$ A10

$BAAP= \varphi 0 + \varphi\ 1IARS + \varphi\ 2IC + \varphi\ 3CG + \varphi 4AI + \varphi 5AE + \varphi 6WB + u1$ A11

$BDIS= \psi 0 + \psi\ 1IARS + \psi\ 2IC + \psi\ 3CG + \psi\ 4AI + \psi\ 5AE + \psi 6WB + u1$. A12

where:

FFFR: Fraud Free Financial Report: Is measured by averaging three items which represent different attributes of Fraud Free Financial Report-Valuation Technique, Application of Accounting Principles and Disclosures.

IARS: Compliance with International Accounting Reporting Standard: This is measured by averaging nine items in the questionnaire and scores of the three attributes of FFFR viz Valuation Technique, Application of Accounting Principles and Disclosures.

IC: Internal Control: The impact is measured based on averaging six indicators in the questionnaire and the attributes of FFFR.

CG: Corporate Governance: The average of seven indicators in the questionnaire as well as the three attributes of FFFR.

AI: Auditors Independence: This is measured based on the average of five indicators in the questionnaire and three attributes of FFFR.

AE: Accountants Education:This is measured based on the average of five indicators in the questionnaire and the three attributes of FFFR.

WB: Whistle Blowing: This is measured based on the average of five indicators in the questionnaire and the three attributes of FFFR.

U1: the error term capturing other explanatory variables not explicitly included in the model.The parameters of the models are such that:

$\alpha 1, \alpha 2, \ldots\ldots\ldots\ldots\ldots \alpha 7 > 0$

Assumptions:

There is a linear relationship amongst the variables. The basis for the regression is that FFFR is anchored on three vectors namely; Valuation, Universality of principle and Vastness in disclosure. Moreover each of the major constructs under examination (IARS, IC, CG, AI, AE and WB) also depends on the vectors.

The above models are diagnostic and prognostic because their applicationsare at two levels; general and specific. The general level application establishes the relationship amongst the variables at country level using primary data from country-wide survey whose outcomes are reinforced by secondary data thereby establishing the grand norm, bench mark and paradigms for fraud free financial reports at the country level (diagnosis).

The specific level or firm/enterprise level application on the other part, establishes the extent of deviation by the firm from the country level norms thereby revealing the firm's fraud risk (prognostic, redflag).

The econometric or multiple linear regression model can also be restated as shown below.

Fraud free financial reports –FFFR = *f* (International Accounting Reputing Standards-IARS)

Multiple regressions:

$FFFRit = \alpha it + \beta 1CSit + \beta 2ICit + \beta 3AEit + \beta 4AIit + \beta 5CGit + \beta 6WBit$ i

Note: equation-1 is the mathematical or deterministic model.

Introduce the error term or stochastic variable (Ɛ). $FFFRit = \alpha it + \beta 1CSit + \beta 2ICit + \beta 3AEit + \beta 4AIit + \beta 5CGit + \beta 6WBit + \varepsilon it$....ii

Table 3. 3 TAXONOMY OF VARIABLES

S/N	Independent Variables	Measurement of Variables	Codes	Aprior
A	International Accounting Stds	Exogenous Variables (Latent)	IAS	
1	Compliance with Acct. Standards		CS	
2	Internal controls		IC	
3	Auditors education		AE	
4	Auditors independence		AI	
5	Corporate governance		CG	
6	Whistle blowing Dependent Variable		WB	
7	Fraud free financial reports Parameters		FFFR	
8	Alpha		α	>0
9	Beta-one	Δ in Compliance with Acct. Standards	$\beta 1$	< 0
	Beta-two	Δ in Internal controls	$\beta 2$	< 0
	Beta-three	Δ in Auditors education	$\beta 3$	< 0
	Beta-four	Δ in Auditors independence	$\beta 4$	$-$
	Beta-five	Δ in Corporate governance	$\beta 5$	< 0
	Beta-six	Δ in Whistle blowing	$\beta 6$	< 0
10	Error or Stochastic term	Variation or change not accounted for by the explanatory variables.	Ɛ	
11	Functional notation		Ƒ	

Table 3.3 continued

12	Time	Time period or no years under study	T
13	Individual firm or organisation		I

Source: Researcher's Design (2014)

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 SECONDARY AND PRIMARY DATA PRESENTATION

The data collected during the study are in appendices 4 to 6 and appendices 17 to 39. The outcomes of the testswe carried out on them are shown below. Interpretation and discussions of the results from the hypotheseswe tested followed immediately.

4.2 RESEARCH QUESTIONS

1. What is the relationship between International Accounting Reporting Standards and production of fraud free financial reports?

Table 4. 1 CORRELATION COEFFICIENT - IARS

Showing the Karl Pearson Product Moment Correlation Coefficient Statistics of relationship between International Accounting Reporting Standards and Fraud Free Financial Reports of Deposit Money in Nigerian Banks.

		Compliance with standards
FFFR- Fraud free financial reports	Pearson Correlation	.619**

Source: Researcher Computation using SPSS version-21

Table 4.1shows the Karl Pearson Product Moment Correlation Coefficient Statistics of the relationship between International Accounting Reporting Standards and Fraud Free Financial Reports. Thereby revealing that the two variables are positively correlated (r =0.619 or 62%) and that the directions and magnitudes of their relationship are positive and strong. Proof of significance in the relationship is in the hypothesis test below.

2. What is the relationship between Internal Controls and production of fraud free financial reports?

Table 4. 2 CORRELATION COEFFICIENT - IC

Showing the Karl Pearson Product Moment Correlation Coefficient Statistics of relationship between Internal Controls and Fraud Free Financial Reports of Deposit Money in Nigerian Banks.

		IC- Internal controls
FFFR- Fraud free financial reports	Pearson Correlation	-.099

Source: Researcher Computation using SPSS version-21

Table 4.2 shows that there is negative or inverse relationship between internal control and fraud free financial report, that is, the relationship is negative and weak (r = -0.099 or -9.9%),thereby revealing that the two variables move in opposite directions, in other words their magnitudes and directions are converse. Proof of significance in the relationship is in the hypothesis test below.

3. What is the relationship between Corporate Governance and production of fraud free financial reports?

Table 4. 3 CORRELATION COEFFICIENT - CG

Showing the Karl Pearson Product Moment Correlation Coefficient Statistics of relationship between corporate governance and Fraud Free Financial Reports of Deposit Money in Nigerian Banks.

		CG- Corporate governance
FFFR- Fraud free financial reports	Pearson Correlation	-.156

Source: Researcher Computation using SPSS version-21

Table 4.3 shows that there is inverse association between corporate governanceand fraud free financial report, that is, the correlation is weedy (r = -0.156 or -15.6%). The two variables magnitudes and directions are converse. Proof of significance in the relationship is in the hypothesis test below.

4. What is the relationship between whistle blowing and production of fraud free financial reports?

Table 4. 4 CORRELATION COEFFICIENT - WB

Showing the Karl Pearson Product Moment Correlation Coefficient Statistics of relationship between Whistle blowing and Fraud Free Financial Reports of Deposit Money in Nigerian Banks.

		WB- Whistle blowing
FFFR- Fraud free financial reports	Pearson Correlation	-.090

Source: Researcher Computation using SPSS version-21

Table 4.4 shows that there is inverse relationship between whistle blowing and fraud free financial report, that is, the correlation is weak (r = -0.090 or -9%). The degree and directionof their movement are converse.Again, proof of significance in the relationship is in the hypothesis test below.

5. What is the relationship between Auditor's Education Level and production of fraud free financial reports?

Table 4. 5 CORRELATION COEFFICIENT - AE

Showing the Karl Pearson Product Moment Correlation Coefficient Statistics of relationship between Auditors education and Fraud Free Financial Reports of Deposit Money in Nigerian Banks.

		AE- Auditors education
FFFR- Fraud free financial reports	Pearson Correlation	$.807^{**}$

Source: Researcher Computation using SPSS version-21

Table 4.5 shows the Karl Pearson Product Moment Correlation Coefficient Statistics of the relationship between Auditors educationand Fraud Free Financial Reports. There is positive correlation (r =0.807 or 80.7%) between them. The direction and magnitude of the relationship are positive and strong and they moved in the same direction.Proof of significance in the relationship is in the hypothesis test below.

6. What is the relationship between Auditor's Independence and production of fraud free financial reports?

Table 4. 6 CORRELATION COEFFICIENT – AI

Showing the Karl Pearson Product Moment Correlation Coefficient Statistics of relationship between Auditors independence and Fraud Free Financial Reports of Deposit Money in Nigerian Banks.

		AI- Auditors independence
FFFR- Fraud free financial reports	Pearson Correlation	-.162

Source: Researcher Computation using SPSS version-21

Table 4.6 revealed the Karl Pearson Product Moment Correlation Coefficient Statistics of the relationship between Auditors independence and Fraud Free Financial Reports. There is negative correlation (r =-0.162 or 16.2 7%) between them. The directions and magnitudes of their relationship are negative and not strong. Again Proof of significance of the relationship is in the hypothesis test below.

7. What is the impact/effect of each of the following in ensuring production of fraud free financial reports; International Accounting Reporting Standards, internal control, corporate governance codes, whistle blowing, auditor's education level and auditor's independence?

Table 4. 7 CORRELATION COEFFICIENT –WB, AE, IC, IARS, AI and CG

Model Summary of Multiple Regression Result of Whistle blowing, Auditors education, Internal controls, International Accounting Reporting Standards,Auditors independence, and Corporate governance effect onFraud Free Financial Reports of Deposit Money in Nigerian Banks.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.915[a]	.836	.727	1.45779

Source: Researcher Computation using SPSS version-21

The multiple regression results of the study are presented in Table 4.7 above. The regression output revealed that the dependent variable is well explained by the explanatory variables in the model with R-square and adjusted R-square of .836 and .727 respectively. Nonetheless, the remaining variant not captured by the joint contribution of the explanatory surrogates might be accounted for by the impacts of stochastic random variables. Base on the analysis above we may not conclude that the model has a significant impact on the explained variable. This leads us to the test of the hypothesis formulated as will be later shown below.

8. To what extent did implementation of International Accounting Reporting Standards stemmed the rate of fraud in Nigerian banks?

Table 4. 8 Model Summary and ANOVA

Dependent Variable: FRAUD_CASES
Method: Least Squares
Date: 11/14/15 Time: 11:11
Sample: 2002 2014
Included observations: 12
FRAUD_CASES=C(1)+C(2)*EARNING+C(3)*ASSET+C(4)*PBT

	Coefficient	Std. Error	t-Statistic	Prob.
C(1)	215.1781	66.21524	3.249676	0.0117
C(2)	0.000188	0.000264	0.712445	0.4964
C(3)	-1.09E-05	2.62E-05	-0.416069	0.6883
C(4)	-0.000452	0.000248	-1.822653	0.1058

R-squared	0.303157	Mean dependent var	239.5833
Adjusted R-squared	0.041841	S.D. dependent var	139.8177
S.E. of regression	136.8614	Akaike info criterion	12.93702
Sum squared residual	149848.3	Schwarz criterion	13.09865
Log likelihood	-73.62210	Hannan-Quinn criter.	12.87717
F-statistic	1.160117	Durbin-Watson stat	1.121238
Prob(F-statistic)	0.383081		

Source: Eview7

The impact of the above variables (proxies of IARS) on FFFR is shown in the table above and further proof of significance in the relationship is in the hypothesis test below.

9. What is the relationship between International Accounting Standards and production of fraud free financial reports in Nigerian public sector?

Table 4. 9 CORRELATION COEFFICIENT – IARS (PUBLIC SECTOR)

Showing the Karl Pearson Product Moment Correlation Coefficient Statistics of relationship between International Accounting Reporting Standards and Fraud Free Financial Reports in Nigeria public sector.

		Compliance with standards
FFFR- Fraud free financial reports	Pearson Correlation	.619**

Source: Researcher Computation using SPSS version-21

Table 4.9shows the Karl Pearson Product Moment Correlation Coefficient Statistics of the relationship between International Accounting Reporting Standards and Fraud Free Financial Reports in Nigeria public sector. It affirms that there is positive correlation (r =0.619 or 61.9%) between International Accounting Reporting Standards and Fraud Free Financial Reports in Nigerian public sector. The directions and magnitudes of the relationship are positive and strong.Further tests on the significance of the relationship are in the hypothesis tests section below.

4.3 HYPOTHESES TESTS

1. There is no significant positive relationship between International Accounting Reporting Standards and production of fraud free financial reports.

Table 4. 10 HYPOTHESIS TEST 1

Showing the Karl Pearson Product Moment Correlation Coefficient Statistics of relationship between International Accounting Reporting Standards and Fraud Free Financial Reports of Deposit Money in Nigerian Banks.

		Compliance with standards
FFFR- Fraud free financial reports	Pearson Correlation	.619**
	Sig. (2-tailed)	.011
	N	16

Source: Researcher Computation using SPSS version-21

Table 4.10shows that there is significant connection between International Accounting Reporting Standardsand fraud free financial report.The association is positively significant ($r = 0.619$, $p < 0.05$). We therefore accept thealternate hypothesis (**H_a**) and reject the null hypothesis (**H_0**) at 95% confidence level.

2. There is no significant positive relationship between Internal Controls and production of fraud free financial reports.

Table 4. 11 HYPOTHESIS TEST 2

Showing the Karl Pearson Product Moment Correlation Coefficient Statistics of relationship between Internal Controls and Fraud Free Financial Reports of Deposit Money in Nigerian Banks.

		IC- Internal controls
FFFR- Fraud free financial reports	Pearson Correlation	-.099
	Sig. (2-tailed)	.716
	N	16

Source: Researcher Computation using SPSS version-21

The above table shows that there is no significant relationship between internal control and fraud free financial report, rather the relationship is negative and insignificant ($r = -0.099$, $p > 0.05$). We therefore accept the null hypothesis (**H_0**) and reject the alternate hypothesis (**H_a**) at 95% confidence level.

3. There is no significant positive relationship between Corporate Governance and production of fraud free financial reports.

Table 4. 12 HYPOTHESIS TEST 3

Showing the Karl Pearson Product Moment Correlation Coefficient Statistics of relationship between Corporate governance and Fraud Free Financial Reports of Deposit Money in Nigerian Banks.

		CG- Corporate governance
FFFR- Fraud free financial reports	Pearson Correlation	-.156
	Sig. (2-tailed)	.564
	N	16

Source: Researcher Computation using SPSS version-21

The above tableshows that there is no significant relationship betweenCorporate governance and fraud free financial report, rather the relationship is negative and insignificant ($r = -0.156$, $p > 0.05$). We therefore accept the null hypothesis (**H_0**) and reject the alternate hypothesis (**H_a**) at 95% confidence level.

4. There is no significant positive relationship between whistle blowing and production of fraud free financial reports.

Table 4. 13 HYPOTHESIS TEST 4

Showing the Karl Pearson Product Moment Correlation Coefficient Statistics of relationship between Whistle blowing and Fraud Free Financial Reports of Deposit Money in Nigerian Banks.

		WB- Whistle blowing
FFFR- Fraud free financial reports	Pearson Correlation	-.090
	Sig. (2-tailed)	.741
	N	16

Source: Researcher Computation using SPSS version-21

The above tableshows that there is insignificant association between Whistle blowing and fraud free financial report, the relationship is insignificant ($r = -0.090$, $p > 0.05$). We therefore accept the null hypothesis (**H_0**) and reject the alternate hypothesis (**H_a**) at 95% confidence level.

5. There is no significant positive relationship between Auditor's Education Level and production of fraud free financial reports.

Table 4. 14 HYPOTHESIS TEST 5

Showing the Karl Pearson Product Moment Correlation Coefficient Statistics of relationship between Auditors education and Fraud Free Financial Reports of Deposit Money in Nigeria Banks.

		AE- Auditors education
FFFR- Fraud free financial reports	Pearson Correlation	.807**
	Sig. (2-tailed)	.000
	N	16

Source: Researcher Computation using SPSS version-21

The above tableshows that there is significant association between Auditor's Education Leveland fraud free financial report. The relationship is positively significant ($r = 0.807$, $p < 0.05$). We therefore accept thealternate hypothesis ($\mathbf{H_a}$) and reject the null hypothesis ($\mathbf{H_0}$) at 95% confidence level.

6. There is no significant positive relationship between Auditor's Independence and production of fraud free financial reports.

Table 4. 15 HYPOTHESIS TEST 6

Showing the Karl Pearson Product Moment Correlation Coefficient Statistics of relationship between Auditors independence and Fraud Free Financial Reports of Deposit Money in Nigerian Banks.

		AI- Auditors independence
FFFR- Fraud free financial reports	Pearson Correlation	-.162
	Sig. (2-tailed)	.549
	N	16

Source: Researcher Computation using SPSS version-21

The above tableshows that there is insignificant association between Auditors independence and fraud free financial report andthe relationship is negative and insignificant (r = -0.162, p > 0.05). We therefore accept the null hypothesis (**H_0**) and reject the alternate hypothesis (**H_a**) at 95% confidence level.

7. International Accounting Reporting Standards, internal control, corporate governance, whistle blowing, auditor's education level and auditor's independence have no significant impact/effecton Fraud Free Financial Reports.

Table 4. 16 HYPOTHESIS TEST 7

Showing Model Summary of Multiple Regression Result of Whistle blowing, Auditors education, Internal controls, International Accounting Reporting Standards, Auditors independence, and Corporate governance effect onFraud Free Financial Reports of Deposit Money in Nigerian Banks.

Model	R	R^2	Adj. R^2	Sum of Squares	df	Mean Square	F	Sig.
1	.915	.836	.727	-	-	-	-	-
Regression				97.799	6	16.300	7.670	.004
Residual				19.126	9	2.125		
Total				116.926	15			

Source: Researcher Computation using SPSS version-21

The F- statistic of 7.67 is also significant with P-value of less than 5%, suggesting that variations in the dependent variable are adequately explained by the predictors in the model. In addition, the tablerevealed that the explanatory variables (that is Whistle blowing, auditors' education, internal controls, International Accounting Reporting Standards, auditors independence, and corporate governance) jointly contributed significantly to the prediction of Fraud Free Financial Reports, (F (6, 9) = 7.670, Adj.R^2**=.**727; P =.004). We therefore accept alternate hypothesis (**H_a**) and reject the null hypothesis (**H_0**) and conclude that there is significanteffect or impactof explanatory variables onFraud Free Financial Reports at 95% confidence level.

Table4.16.1A Multiple Regression Analysis Showing the Joint Prediction or Relative Contributions of Each of the Regressor on Fraud Free Financial Reports of Deposit Money in Nigerian Banks.

Dependent Variable **Free Fraud Financial Report (FFFR)**	VIF Collinearity Statistics	Standardized Coefficients $\boldsymbol{\beta - Value}$	P-value	Sig	Rank
(Constant)	-	5.006	.863	>.05	-
IARS-International Accounting Reporting Standards	1.598	.443	.029	<.05	2nd
IC- Internal controls	6.046	-.049	.885	>.05	6th
AE- Auditors education	1.213	.691	.001	<.05	1st
AI- Auditors independence	7.121	.003	.994	>.05	4th
CG- Corporate governance	13.715	-.023	.965	> .05	5th
WB- Whistle blowing	1.934	.036	.854	>.05	3rd
Durbin-Watson		1.110			

Source: Researcher's computation usingSPSS Version-21 Output

The result in the table revealed that the beta (β) weights of the paths (Paths coefficients) give the estimates of the strengths of the causation. The entire explanatory variables shown to contribute differentially to fraud free financial report (FFFR) among banks' performance in Nigeria; in particular, Auditors' education contributed positively to the explained variation of fraud free financial report (FFFR) which was statistically significant. The surrogates have magnitude beta weights of Auditors' education ($\beta = .691$; $p = .001$), International Accounting Reporting Standards ($\beta = 0.443$; $p < .05$), Whistle-blowing ($\beta = .036$; $p = .854$), Auditors independence ($\beta = .003$; $p > .05$), corporate governance ($\beta = -.023$; $p = .965$), and Internal controls ($\beta = -.049$; $p = .885$). The contributions or impact of International

Accounting Reporting Standardsand auditors' level of education are positive and statistically significant in the prediction of free fraud financial report (FFFR) while the remaining four explanatory variables effects or impact are insignificant in the prediction of free fraud financial report (FFFR). Internal control and corporate governance have negative significant impact or contribution to fraud free financial report (FFFR). The regressors already discussed showed significant independent prediction of free fraud financial report (FFFR), in the order of their listing their statistical significance depends on their probability value. From the above tablewe can see that the value of R^2 may be misleading in Multiple Linear Regression models. For goodness of fitted model or validity of model estimates to be satisfactory, it must fulfill the following three basic assumptions, that is; Linearity, independence and homoscedasticity (all error variances are the same).

The assumption of linearity had been seen in the table above, that is, there is linear relationship between fraud free financial report (FFFR) and at least with one of the explanatory variables. From the tablethe Durbin Watson statistic (D_w = 1.110) shows that the explanatory variables are statistically independent of one another and all error variances are the same. If this assumption is violated we faced the problem of multicollinearity, that is, there will be contradiction between F-test and T-test in the tablejointly, in order to test for presence of multicolllinearity we tested for Variance Inflationary Factors-VIF of the individual explanatory variables. We noted that Durbin Waston Statistics that ranges between one and three (that is 1-3) and Variance Inflationary Factor that is less than five (that is VIF<5) are within the acceptable limit. Therefore, from the results in the table, we concluded that the F-test has established the overall validity of the model and any of the explanatory variables is having linear relationship with the response variable. Thus, goodness of fitted model is valid:

$FFFR_{it} = \alpha_{it} + \beta_1 CS_{it} + \beta_2 IC_{it} + \beta_3 AE_{it} + \beta_4 AI_{it} + \beta_5 CG_{it} + \beta_6 WB_{it} + \varepsilon_{it}$....Eq3

$FFFR_{it} = 5.006 + 0.443CS_{it} - 0.049IC_{it} + 0.691AE_{it} + .003AI_{it} - .023CG_{it} + 0.036WB_{it} + \varepsilon_{it}$....Eq.4

Finally, Equation 4 above is the fitted model.

Arising from the above we can conclude that WB, AE, IC, IARS, AI and CG are significant contributors to FFFR. Their relative contributions in order of hierarchy are:

Table 4.16.1B RANKING OF THE PREDICTORS

VARIABLES	RANK
AE	1
IARS	2
WB	3
AI	4
CG	5
IC	6

SOURCE: Researcher's computation (2014).

WHERE:

AE = Auditors' Education; IARS= International Accounting Reporting Standards; WB = Whistle Blowing; AI= Auditors Independence; CG= Corporate Governance and IC= Internal Controls.

FFFR= Fraud Free Financial Report.

Furthermore, the above results show the grand norm (country wide) on application of the model on Banks. Specific application of the model on bank Z (enterprise level) also revealed as follows:

Table 4.16.1C
REGRESSION RESULT ON BANK Z

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.999056776
R Square	0.998114442
Adjusted R Square	0.995064811
Standard Error	0.173189648
Observations	337

ANOVA

	Df	SS	MS	F	Significance F
Regression	6	5255.479	875.9132	29202.31	0
Residual	331	9.928231	0.029995		
Total	337	5265.407			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%
Intercept	0	#N/A	#N/A	#N/A	#N/A	#N/A
IARS	0.268469209	0.01391	12.11145	3.38E-28	0.141106	0.195832
AE	0.166869876	0.015769	10.58243	9.78E-23	0.135851	0.197889
WB	0.063214986	0.021277	7.812139	7.52E-14	0.124361	0.208069
IC	0.053810919	0.015118	11.03371	2.58E-24	0.137071	0.196551
CG	0.042047441	0.014548	11.4828	6.48E-26	0.13843	0.195665
AI	0.033166831	0.012553	13.29235	1.33E-32	0.14216	0.191546

	Point	Column1	Rank	Percent
IARS	1	0.268469209	1	100.00%
CG	5	0.166869876	2	80.00%
AE	2	0.063214986	3	60.00%
AI	6	0.053810919	4	40.00%
IC	4	0.042047441	5	20.00%
WB	3	0.033166831	6	0.00%

SOURCE: Microsoft excel (2010)

The results revealed that there is positive linear relationship amongst the six variables under examination. Implying that in bank Z, to obtain FFFR, emphasis was on IARS, CG, AE, AI, IC and WB in their descending order of importance.

By this result the core risk areas in bank Z are the deviations of the above results from the grand norms (country wide for banks) which in the above case are AE, IC and WB (comparison by ranking) as shown below.

Table 4.16.1D **RANKING OF THE PREDICTORS**

GLOBAL	BANK Z
AE	IARS
IARS	CG
WB	AE
AI	AI
CG	IC
IC	WB

SOURCE: Researcher's compilation (2014)

WHERE:

AE = Auditors' Education; IARS= International Accounting Reporting Standards; WB = Whistle Blowing; AI= Auditors Independence; CG= Corporate Governance and IC= Internal Controls.

FFFR= Fraud Free Financial Report.

The results are therefore red flags indicating fraud prone areas in the bank.

8. Implementation of International Accounting Reporting Standards in Nigerian banks did not significantly stemmed incidences of financial frauds in Nigerian banks in pre and post implementation periods.

Table 4. 17 FRAUD CASES IN NIGERIAN BANKS

YEAR	TOP 10 BANKS	TOTAL FOR ALL BANKS	%SHARE OF TOTAL OF ALL BANKS	**RANK %SHARE OF TOTAL OF ALL BANKS**	**RANK TOTAL FOR ALL BANKS**
	N'Million A	N'Million B	C	D (Ranked C)	E (Ranked B)
2001	10,509	11,244	0.934631804	1	12
2002	11,481	12,920	0.888622291	4	10
2003	8,635	9,384	0.920183291	2	11
2004	10,240	11,754	0.871192785	6	11
2005	9,374	10,606	0.883839336	5	13
2006	2,513	4,832	0.520074503	12	14
2007	2,595	10,006	0.259344393	14	10
2008	34,311	53,523	0.641051511	11	1
2009	37,180	41,266	0.900983861	3	2
2010	10,874	21,291	0.510732234	13	9
2011	24,730	28,400	0.870774648	7	3
2012	15,478	17,965	0.861564153	9	5
2013	18,859	21,795	0.865290204	8	8
2014	21,904	25,608	0.855375273	10	5

Source: CBN and NDIC annual reports for each of the years as cited by Owolabi (2010, p.255-256) and updated by the Researcher (2015).

As stated earlier in chapter two Nigerian banks started implementing IFRS earnestly in 2008. See appendix 21 for data on banks' performance and financial status for the years 2001 to 2014. The above table4.17 and appendix 21 provided the input for the tests below.

Ho: International Accounting Reporting Standards (independent variables) did not significantly play useful role in stemming the rate of fraud cases in the Nigerian banking sector.

Table 4. 18 Model Summary and ANOVA

Dependent Variable: FRAUD_CASES
Method: Least Squares
Date: 11/14/15 Time: 11:11
Sample: 2002 2014
Included observations: 12

FRAUD_CASES=C(1)+C(2)*EARNING+C(3)*ASSET+C(4)*PBT

	Coefficient	Std. Error	t-Statistic	Prob.
C(1)	215.1781	66.21524	3.249676	0.0117
C(2)	0.000188	0.000264	0.712445	0.4964
C(3)	-1.09E-05	2.62E-05	-0.416069	0.6883
C(4)	-0.000452	0.000248	-1.822653	0.1058

R-squared	0.303157	Mean dependent var	239.5833
Adjusted R-squared	0.041841	S.D. dependent var	139.8177
S.E. of regression	136.8614	Akaike info criterion	12.93702
Sum squared residual	149848.3	Schwarz criterion	13.09865
Log likelihood	-73.62210	Hannan-Quinn criter.	12.87717
F-statistic	1.160117	Durbin-Watson stat	1.121238
Prob(F-statistic)	0.383081		

Source: Eview7

The result of the regression analysis found an R-squared value of 30.3% which connotes the explanatory variables earning, asset and profit before tax were able to explain about 30.3% of the total variation of the number of fraud cases. The result also found that the independent variables did not play useful role significantly in estimating fraud cases in the banking sector since an F-value of 1.16 and corresponding p-value of 0.38 falls on the acceptance region of the hypothesis. The model has the form:

FRAUD_CASES=215.1781 + 0.0002 *EARNING -1.09 *10^-5 *ASSET + -0.0005 *PBT

Ho: The implementation of International Accounting Reporting Standards did not significantly impact on the rate of fraud cases in the Nigerian banking sector

TABLE 4. 19 CHOW TEST ANALYSIS FOR DETERMINING IMPACT

Chow Test Analysis for determining the impact of International Accounting Reporting Standards on Fraud cases in the Nigerian Banking Sector

Chow Breakpoint Test: 2008
Null Hypothesis: No breaks at specified breakpoints
Equation Sample: 2002 2014

F-statistic	0.915414	Prob. F(4,4)	0.5331
Log likelihood ratio	7.799208	Prob. Chi-Square(4)	0.0992
Wald Statistic	3.661658	Prob. Chi-Square(4)	0.4537

source: Eview 7

The result of the Chow test analysis obtained an F-value of 0.92 and a p-value of 0.53 which falls on the acceptance region of the hypothesis (since p-value = 0.53 is greater than $\alpha = 0.05$). This result implies that there exist no break at the specified break point which in turn connotes that the introduction of the international financial reporting standard did not significantly stemmed the rate of fraud cases in the Nigerian banking sector. Therefore, hypotheses one is accepted.

Ho: The independent variables did not significantly play useful role in estimating the rate of fraud cases in the Nigerian banks during the post IFRS period (2008).

TABLE 4. 20 THE POST CHOW TEST ANALYSIS CONTINUATION

Chow Forecast Test
Equation: UNTITLED
Specification: FRAUD_CASES=C(1)+C(2)*EARNING+C(3)*ASSET+C(4) *PBT

Test predictions for observations from 2008 to 2014

	Value	Df	Probability
F-statistic	6.265864	(6, 2)	0.1440
Likelihood ratio	35.82672	6	0.0000

F-test summary:

	Sum of Sq.	Df	Mean Squares
Test SSR	142279.3	6	23713.21
Restricted SSR	149848.3	8	18731.04
Unrestricted SSR	7569.017	2	3784.508
Unrestricted SSR	7569.017	2	3784.508

LR test summary:

	Value	Df
Restricted LogL	-73.62210	8
Unrestricted LogL	-55.70873	2

Unrestricted log likelihood adjusts test equation results to account for observations in forecast sample

Source: Eview7

The result of the post Chow test analysis on estimating number of fraud cases (Table4.20) found an F-value of 6.27 and a p-value of 0.14 which falls on the acceptance region of the hypothesis. This result implies that the independent variables did not significantly play useful role in stemming the rate of fraud cases in the Nigerian banking sector during the post IFRS period (2008).

Ho: The independent variables did not significantly play useful role in estimating the rate of fraud cases in the Nigerian banking sector during the pre IFRS period.

TABLE 4. 21 THE PRE CHOW TEST ANALYSIS CONTINUED

Unrestricted Test Equation:
Dependent Variable: FRAUD_CASES
Method: Least Squares
Date: 11/14/15 Time: 11:05
Sample: 2002 2007
Included observations: 6

FRAUD_CASES=C(1)+C(2)*EARNING+C(3)*ASSET+C(4)*PBT

	Coefficient	Std. Error	t-Statistic	Prob.
C(1)	62.49413	42.84546	1.458594	0.2821
C(2)	0.026059	0.008533	3.053923	0.0926
C(3)	-0.000328	0.000165	-1.986986	0.1853
C(4)	-0.090241	0.028253	-3.194041	0.0856

R-squared	0.918549	Mean dependent var	212.1667
Adjusted R-squared	0.796372	S.D. dependent var	136.3282
S.E. of regression	61.51836	Akaike info criterion	11.31127
Sum squared residual	7569.017	Schwarz criterion	11.17244
Log likelihood	-29.93381	Hannan-Quinn criter.	10.75553
F-statistic	7.518177	Durbin-Watson stat	2.244847
Prob(F-statistic)	0.119654		

Source: Eview7

The result of the pre Chow test on the impact of international financial reporting standards on estimating number of fraud cases found an F-value of 7.52 and a p-value of 0.12 which falls on the acceptance region of the hypothesis. This result implies that the independent variables did not significantly play useful role in estimating the rate of fraud cases in the Nigerian banking sector during the pre IFRS period.

Multiple Regression Analysis in estimating non-fraud cases in the Nigerian Banking Sector

Ho: The independent variables did not significantly play useful roles in estimating the rate of non-fraud cases in the Nigerian banking sector.

TABLE 4. 22 MODEL SUMMARY AND ANOVA

Dependent Variable: NON_FRAUD_CASES
Method: Least Squares
Date: 11/14/15 Time: 11:14
Sample: 2002 2014
Included observations: 12

NON_FRAUD_CASES=C(1)+C(2)*EARNING+C(3)*ASSET+C(4)*PBT

	Coefficient	Std. Error	t-Statistic	Prob.
C(1)	17.57062	29.27827	0.600125	0.5650
C(2)	0.000268	0.000117	2.296955	0.0507
C(3)	-1.86E-05	1.16E-05	-1.606436	0.1468
C(4)	-0.000206	0.000110	-1.872345	0.0981

R-squared	0.591973	Mean dependent var	81.25000
Adjusted R-squared	0.438963	S.D. dependent var	80.79280
S.E. of regression	60.51574	Akaike info criterion	11.30489
Sum squared residual	29297.24	Schwarz criterion	11.46652
Log likelihood	-63.82931	Hannan-Quinn criter.	11.24504
F-statistic	3.868853	Durbin-Watson stat	2.185912
Prob(F-statistic)	0.050017		

Source: Eview7

The result of the regression analysis found an R-squared value of 59.2% which connotes that the explanatory variables earning, asset and profit before tax were able to explain about 59.2% of the total variation of the number of non-fraud cases. The result found that the independent variables play useful role significantly in estimating non fraud cases in the banking sector since an F-value of 3.87 and corresponding p-value of 0.05 falls on the rejection region of the hypothesis. The result also found that the independent variable responsible for the significance difference in the model was earning since a t-statistics of 2.30 with corresponding p-value of 0.05 was obtained. This result implies that variable earning's obtained a p-value of 0.05 which falls on the rejection region of the hypothesis (since p-value = 0.05 is equal to $\alpha = 0.05$). Hence, earning has significant impact on non-fraud cases. The model has the form:

NON-FRAUD_CASES=17.5706 + 0.0002 *EARNING -1.86 *10^-5 *ASSET + -0.0002 *PBT

Ho: The introduction of IFRS did not significantly impact on the rate of non-fraud cases in the Nigerian banking sector

TABLE 4. 23 CHOW TEST ANALYSIS

Chow Breakpoint Test: 2008
Null Hypothesis: No breaks at specified breakpoints

Equation Sample: 2002 2014

F-statistic	0.098489	Prob. F(4,4)	0.9773
Log likelihood ratio	1.127223	Prob. Chi-Square(4)	0.8899
Wald Statistic	0.393954	Prob. Chi-Square(4)	0.9830

Source: Eview7

The result of the Chow test on the impact of international financial reporting on estimating number of non- fraud cases found an F-value of 0.19 and a p-value of 0.98 falls on the acceptance region of the hypothesis. This result implies that the introduction of IFRS did not impact significantly on estimation of non fraud cases in the Nigerian banking sector.

Summary

The above tests accept the null hypothesis that the Implementation of International Accounting Reporting Standards in Nigerian banks has not significantly reduced incidences of financial frauds in the banks. Furthermore, IFRS did not play useful role in estimating the rate of fraud in both pre and post IFRS implementation periods.

9. International Accounting Reporting Standardscannot ensure production of fraud free financial reports in Nigerian public sector.

We adopted Z – test for proportion as shown below (Nkamnebe A. B., Muo M. C., Osisioma H., Nwankwo F., Akpan P., Anazodo … Nwanna I. , 2013, p.106).

Step 1 $\upsilon = x$

Step 2 α - level: $Z\, \alpha/2$ and $-Z\, \alpha/2 = -+ 1.96$

Step 3

Table 4. 24 HYPOTHESIS TEST 9

SECTION C **of the questionnaire**

	c1	c2	c3	c4	c5	c6
	X	F	fX	X-x	$(X-x)^2$	$f(X-x)^2$
SA	5	934	4670	0.9375	0.878906	820.8984
A	4	345	1380	-0.0625	0.003906	1.347656
N	3	281	843	-1.0625	1.128906	317.2227
D	2	106	212	-2.0625	4.253906	450.9141
SD	1	110	110	-3.0625	9.378906	1031.68
∑	15	1776	7215	-5.3125	15.64453	2622.063

			Mean (x)	∑fx/∑f		4.0625
			∂	√(∑c6/∑c2)		1.215066
			Se	σ/(√∑f)		0.000684
Estimated	Y	Estimated	Y	x +- 1.96(Se)	first	4.063841
					Second	4.061159

Calculate Z=(x-υ)/(σ/√n)	caculated Z	-0.04651
		0.046509

Decision rule:

Accept Ho for calculated Z (-0.04651) is greater than critical Z - 1.966

and Caculated Z (0.0465) is less than1.966

SOURCE:Derived by the Researcher (2014) from Appendix 4

Associated P-value:

Two tailed test: Using Standard Normal Distribution table

P(z<-0.04651)= .4801

P(z>0.046509)= .4840

P-value = .4801 + .4840
= 0.9641

Since P-value is higher than the significant level (0.05) we accept the null hypothesis.

The null hypothesis that International Accounting Reporting Standards alone cannot ensure production of fraud free financial reports in Nigerian public sector is accepted.

Set out below are the results of secondary data test on standard compliance in the public sector.

Table 4. 25 FURTHER TEST ON COMPLIANCE WITH ACCOUNTING STANDARDS

		% of Compliance	% of Non-compliance	Remarks
	SAS 2 - Information to be disclosed in financial statements			
1	All accounting information that will assist users to assess the financial liquidity, profitability and viability of a reporting entity should be disclosed and presented in a logical, clear and understandable manner.	87	13	Principle base
	Financial Statement should include Statement of accounting policies, Balance Sheet, Profit and loss acc or income statement, notes on the accounts, statement of source and application of funds value added statement and five years financial summary	100	-	Rule base
3	Financial statement should show comparative figures	100	-	Rule base
4	Disclose: land, building, plant and equipment other categories of asset, suitably identified and accumulated depreciation for each category of assets	-	100	Rule base
5	Long term liabilities Secured and unsecured loans, loans from subsidiaries or associates	57	43	Fictitious asset created in attempt to disclose this liabilities
6	Events that have occurred after balance sheet date	-	100	Principle base
7	Amount approved or committed for future capital expenditure	-	100	Rule base
8	Contingent assets and liabilities	-	100	Rule base

(Table 4.25 cont'd)				
9	The method of providing for pension and retirement scheme together with statement as to whether the scheme is funded or unfunded	17	87	Rule base
	IPSAS Cash-Basis Standard Financial Reporting Under the Cash Basis of Accounting Requirements			
10	Presentation of Budget Information in Financial Statements	100	-	Rule base
11	Recipients of External Assistance	100	-	Rule base
12	Extraordinary Items		100	Rule base
13	Related Party Disclosures	100		Rule base
14	Disclosures of Assets, Liabilities and Comparison with Budgets	50	50	Rule base
	Financial Reporting in Hyperinflationary Economies	-	100	Principle base
16	Assistance received from Non-Governmental Organizations (NGO's)	-	100	Rule base
		711	897	
	COMPLIANCE/NONCOMPLIANCE	44%	56%	

Source: **Extracts from SAS2, IPSAS on cash basis of accounting and annual accounts of Delta, Lagos, Kaduna, Edo, Ondo, Ogun, Osun, Cross River, Ekiti and Bayesa State (see Chapter)**

IPSAS 1, Presentation of Financial Statements, sets out the overall considerations for the presentation of Financial Statements, guidance for the structure of those statements and minimum requirements for their content under the accrual basis of accounting. Note also that the standard is not significantly difference from IAS1 and SAS2.

The compliance rate in the tableabove is 44% which is below 91% international bench mark for acceptable minimum compliance rate (Abubakar, 2011).

We observed also that of the sixteen features under examination in the table, three of them (features 1, 6 and 15) were principle based and put together they accounted for the highest percentage of non-compliance. It follows therefore that a standard that tends towards principle base will be more difficult to monitor and enforce. This in itself potent grave danger as new accounting standards (both local and international) are tending towards becoming principle base.

Although compliance with Accounting Standards alone cannot ensure production of fraud free financial reports in Nigerian public sector as affirmed by hypothesis 9, however if compliance with accounting standards is high, we are of the opinion that white collar crimes in the sector is most likely to abate.

4.4 DISCUSSION OF FINDINGS

1. The study revealed weak relationship between FFFR (Dependent variable) and IC, CG, WB, and AI (independent variables) in their individual interaction with the dependent variable. On the other part, FFFR is positively and strongly correlated with AE and IARS in their individual relationship with the dependent variable.

2. The joint interactions on the other hand using multiple regression, as the analytical tool, revealed that WB, AE, IC, IARS, AI and CG are significant contributors to FFFR. Their relative contributions in order of hierarchy are:

Table 4. 26 RANKING OF THE PREDICTORS

VARIABLES	RANK
AE	1
IARS	2
WB	3
AI	4
CG	5
IC	6

WHERE:

AE = Auditors' Education; IARS= International Accounting Reporting Standards; WB = Whistle Blowing; AI= Auditors Independence; CG= Corporate Governance and IC= Internal Controls.

FFFR= Fraud Free Financial Report.

This above result reveals that Auditors education is a very significant contributor to ensuring that financial reports are fraud free. The top three contributors are Auditors education level, International Accounting Reporting Standards and Whistle blowing.

3. This study also revealed that adoption of International Accounting Reporting Standards (IARS) did not play significant role in estimating the rate of fraud in Nigerian banks in both pre and post implementation periods. The study affirmed that Nigerian banks started implementing IARS in earnest since 2008 and fraud has not abated in the subsector till date.

4. The study also established that using the models in chapter 3.9 that Auditors education, International Accounting Reporting Standards and Whistle blowing are significant contributors to ensuring production of Fraud Free Financial Reports, in descending order of importance. Application of the model at firm or enterprise level also revealed fraud prone areas in the enterprise/firm thereby become a barometer (investigation tool) that flags off fraud risk.

5. The results also revealed that reliance on accounting standards to combat fraud and White Collar Crimes should not be total because other variables such as Auditors Education level and Whistle blowing are significant in determining FFFR. Thus affirming our earlier deduction from literature that accounting standards are tools for

combating 25% of the eight elements in fraud management cycle and 75% are within the purview of Forensic accounting. Modern sophistication which is gradually catching up with the country especially rapid growth in information technology and increases in cybercrimes indicate that there is need for curricula adjustments by the professional bodies in order to enable their members meet the challenges of modern time. Both of them for now do not provide courses such as criminology and criminal psychology to qualify their members to practice accountancy in Nigeria. However in recent time ICAN appears to be making up for this lapse by creating faculty of forensic accounting which again is not mandatory to their members. Note that forensic accounting incorporates criminology and criminal psychology; it is our view therefore that such courses and indeed courses in forensic accounting should be mandatory in the training programme for all their members. It follows then and in consonant with Brett (2006) findings that the standards and legislation no matter how well intended cannot be effective unless they are properly incorporated into the education curriculum of accounting professionals.

6. Yet another revelation by this study is that noncompliance with International Accounting Reporting Standards is significantly responsible for the increasing rate of WCC in Nigerian public sector. The low compliance rate in the public sector as established in this study is opposite of the compliance rate in the private sector as revealed by prior researchers. Adeyemi (2005) and Abubakar (2011) asserted that Nigerian companies (private sector) are complying with Nigerian accounting standards. We traced the unimpressive result in the public sector compliance rate to non-migration to accrual basis of accounting by them after adopting modified cash basis of accounting as approved by FAAC in its Standardized Financial Statement Reporting format since 2003. It is however noteworthy to state here that FAAC is not a standard setting body. Note also that IPSAS 1 advised that once modified cash basis is adopted by a public sector entity it should with minimum delay migrate to accrual basis of accounting. It follows therefore that due to the delay all the public sector's accounts examined by the Researcher except those of Lagos State are having fictitious assets (in most cases constituting over 70% of the total assets in the accounts and was christened either liability over assets, loan suspense or special project accounts). This anomaly resulted from attempts by the States to disclose Internal and external loans in their accounts without indicating the corresponding assets for

which the loans were utilized. Were the accounts to be prepared on accrual basis this difficulty in our view may not have arisen and the rot which the vague accounts are hiding might have been revealed since.

CHAPTER 5

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

6.1 SUMMARY OF FINDINGS

1. Nigerian banks started implementing IFRS earnestly in 2008 and fraud did not abate since then. Therefore, IARS has not resolved WCC prevalent in the subsector.
2. The study revealed weak relationship between FFFR (Dependent variable) and IC, CG, WB, and AI (independent variable) in their individual interaction with the dependent variable (FFFR). On the other part, FFFR is positively and strongly correlated with AE and IARS.
3. Auditors' education, International Accounting Reporting Standards and Whistle blowing are significant contributors to ensuring production of Fraud Free Financial Reports, in descending order of importance.
4. Application of the model in this study at firm or enterprise level reveals fraud prone areas in the enterprise/firm thereby becomes a barometer (investigation tool) that flags off fraud risk.
5. Reliance on accounting standards to combat fraud and White Collar Crimes should not be total because other variables such as AE and

WB are significant in determining FFFR. Thus affirming our earlier deduction from literature that accounting standards are tools for combating 25% of the eight elements in fraud management cycle while 75% are within the purview of Forensic accounting.

6. Noncompliance with International Accounting Reporting Standards is significantly responsible for the increasing rate of WCC in Nigerian public sector.
7. In view of sophistication in technology and pervasiveness of cyber-crimes,there is need for curricula adjustments by the two professional bodies regulating the practice of accountancy in Nigeria by including forensic accounting in their final exams that qualifies their students for admission as members of their respective bodies.

5.2 CONCLUSIONS

This study revealed that AE, IARS and WB are strong contributors to ensuring production of Fraud Free Financial Report in Nigeria. This study also revealed that adoption of IARS by banks in Nigeria has not reduced the spate of white collar crime in Nigerian Banking sector and further postulated that the recent moves by international accounting standard setting boards to principle based standards is increasing the difficulties of monitoring and enforcing compliance with the standards especially in a developing economy such as Nigeria. The study further revealed that from extant literature Accounting Standards (IARS inclusive) are tools for combating 25% of the eight elements in fraud management cycle while 75% of them are within the purview of Forensic accounting. Hence it is our view that forensic accounting courses should be incorporated into the curriculum of professional accounting bodies in order to equip their members with sufficient skills that would enable them effectively perform the duties expected from public accountants. This study also posits that IFRSs real concerns are on comparability and uniformity of financial reports, the area of interest of Multinational Corporations the latent sponsors of the standards, rather than fraud combating tool. Moreover, the standards are not contextually relevant to developing economies, they are principle based, cumbersome and expensive to implement, very technical and one-size-fits-all (no regards for micro, small and medium scale enterprises that are dominant in developing economies). Therefore, Nigeria should be wary of hasty adoption of IFRSs despite pressure from multinational corporations for their wholesale adoption.

5.3 RECOMMENDATIONS

On the basis of the findings above, the following recommendations were made.

1. To ensure enforcement of accounting standards, it should be made compulsory for both public and private sectors to file their annual accounts with the Corporate Affairs Commission (not only the private

sector as is presently the case) and with Financial Reporting Council of Nigeria.

2. Arising from recommendation one above the commission should create a unit that should be charged with the responsibility of assessing whether or not accounts filed with it complied with applicable Accounting Standards.

3. The unit should make annual declaration showing those organizations that did not comply with the Standards (exception reporting) through national newspapers and thereafter forward the declaration to the inspectorate unit of the Financial Reporting Commission.

4. Forensic accounting courses should be incorporated into the final level professional examination of the two accounting bodies regulating accountancy practice in Nigeria.

   The following areas should receive attention. QUANTITATIVE TECHNIQUES: Data analyses software such as E-view, SAS, SPSS, Minitab, Microsoft Toolpak. Interrogation tools for computers (CAAT and CAATT) (eg Dedicated AATTs Analyser, Audit command Language (ACL), ESKORT computer audit (SESAM), Interactive Data Extraction and Analysis (IDEA), TOP CAATS and Enterprise Resource Planning Solutions – ERP (SAP, ORACLE …..). Notable courses in Forensic Accounting (eg Legal methodology, Criminal litigation:, Stages of investigation, criminal procedures, rules, pre-trial hearing, Law of evidence, Initial hearing to completion of trial – rules and principles, the burden of proof, rules governing advocacy and trials, Electronic crime – using computer to combat such crimes, litigation support,Expert witness, Fraud examination courses).

5. Confidentiality and protection of whistle blowers should be enshrined in Nigerian laws especially those that created the regulatory agencies such as Security and Exchange Commission, Corporate Affairs Commission, Central Bank of Nigeria etc. In other words, the public should also be given opportunities to cry out whenever they observe noncompliance with Accounting Standards and similar infractions.

6. This study gives credence to the urgent need to make fraud detection statutory requirements from Nigerian auditors as accounting practice is influenced by environment and fraud in Nigeria is unprecedented, escalating and threatening the corporate existence of the country. On the other part, although the menace of fraud is global, comparatively the economy of America and Europe appear not to be overwhelmed by the magnitude of fraud in those countries which is not the case with Nigeria as Nigeria is overtly moving towards becoming a failed state as a result of corruption.

It is the view of this study that in order to check the spate of white collar crime in Nigeria the above measures are necessary in addition to compliance with International Accounting Reporting Standards.

5.4 LIMITATION OF THE STUDY

The following are the limitations of this study.

a. Empirical analysis in this study was restricted to Nigerian banking subsector and the country's public sector.
b. Furthermore the study is an accounting perspective of the phenomenon under examination (Fraud) which has multidisciplinary undertone. A multidisciplinary approach which may include the Judiciary, Psychologist and Socio/anthropologist especially in-depth analysis of the cultural dimension of the malaise may help in understanding the phenomenon and assist in proffering solutions to its menaces.
c. Dearth of literature on using International Financial Reporting Standards as white collar crime combating tool was also a constraint to the study.

5.5 SUGGESTIONS FOR FURTHER STUDY

We recommend the following:

a. Comparative study of WCC involving three or more countries may improve understanding of the global dimension of the phenomenon (WCC).

5.6 CONTRIBUTION TO KNOWLEDGE

As stated earlier in the empirical review section of this dissertation extant theories on fraudulent financial reports concentrated on fraud detection models (such as the works of Perols, 2008; Beneish, 1999- on M-score; Dechow Larson & Sloan, 2009; Azira, 2012; Nia, 2015).

In contrast, this study veered from fraud detection models developed by prior researchers. We evaluated the key determinants of (contributor to) fraud free financial reports and showed their respective ranking/weight in their order of importance. Furthermore, we tested fraud risk using multiple regression models we developed to show red flags areas in any enterprise, thereby providing a proactive tool for auditing and investigating financial information. We affirmed that prior researches extoled the glowing attributes of International Financial Reporting Standards (such as the works of Haskin, Ferris,&Selling, 2000; Ghartey, 2002; Obazee, 2008; John, Frédéric& Ana, 2004) and advocated global adoption of the standards. This study,in contrast, postulates that accounting is environmental sensitive and typology, mode and magnitude of fraud occurrence depend on the development stage of the environment in which it occurred, therefore developing economies such as Nigeria should be wary of unwholesome adoption of International Financial Reporting Standards and that adaptation is preferred.

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Appendix 1 A PROFILE OF FRAUD IN NIGERIA

NAME	TRIAL COURT	CASE STATUS	AMOUNT INVOLVED	STATUS OF SUSPECT (S)	REMARK
Ayo Fayose (FormerGovernor of Ekiti State)	Fed. High Court, Lagos. Case now transferred to Ekiti for trial after the accused opposed his trial in Lagos	Arraigned on 51 state counts. Plea already taken but defence lawyer keeps filing frivolous applications for long adjournments to frustrate and prolong trial.	N1.2 Billion	**granted bail by** court since 2007	Inherited Case filed since 17th Dec.2006
Adenike Grange(Former Minister of Health)	FCT. High Court Maitama	Arraigned on 56 state counts. Plea already taken. Defence lawyer often seeks long adjournments to prolong trial. Matter adjourned to Oct 27	N300million	granted bail by court since 2008	Inherited Case filed since 2nd April.2008
Joshua Dariye (FormerGovernor Plateau State)	FCT High Court Gudu	Arraigned on 23 state counts. Plea already taken but defence lawyer challenged court jurisdiction.But Appeal court threw out application and case now fixed for continuation of trial on Oct. 27, 2010.	N700 Million	granted bail by court since 2007	Inherited Case filed since 13th July 2007
Saminu Turaki (FormerGovernor, Jigawa State)	FCT. High Court Maitama	Arraigned on 32 state counts. Plea already taken but defence lawyer challenged court jurisdiction. Case stalled at HC while seeking stay of trial at appeal court.It is part of usual attempt to frustrate and prolong trial	N36 Billion	granted bail by court since 2007	Inherited Case filed since 13th July 2007
Orji Uzor Kalu (FormerGovernor, Abia State)	Fed. High Court Maitama	Arraigned on 107 state counts. Plea already taken but defence lawyer raised preliminary objection against charges. Lost at trial court but has gone on appeal to stay trial. It is part of usual attempt to prolong trial.	N5 Billion	granted bail by court since 2008	Inherited Case filed since 11th June 2007

Source: see page 149

(APPENDIX 1 CONT..)

James Ibori (FormerGovernor, Delta State)	Federal High Court Asaba	Arraigned on 170 state counts.Defence lawyer challenged Kaduna Fed. court jurisdiction, lost at trial court but won at appeal court.Case re-assigned by CJ to Asaba FHC. Without taking plea, suspect applied to quash charges, prosecution opposed application but trial judge quashed the charges Dec. 19. EFCC filed appeal Dec. 23, 2009 and Jan.8, 2010.	N9.2 Billion	granted bail by court since 2008	Inherited Fresh charges filed In August 2009
Iyabo Obasanjo-Bello(Serving Senator)	FCT High Court, Maitama	Arraigned on 56 state counts.Plea already taken but case stalled as defence lawyer filed to challenge charges.Application pending for determination.This is part of frivolous applications to delay trial .	N10 Million	granted bail by court since 2008	Inherited Case filed since April 2 2008
Lucky Igbinedion(Former Governor of Edo State)	Fed. High Court, Enugu	Arraigned on 191 state counts. Applied for plea bargain &Convicted but EFCC has appealed the judgment to seek for stiffer sanctions.	N4.3 Billion	Case determined 2008	Inherited Case filed on 23rd Jan.2008
Gabriel Aduku (FormerMinister of Health)	FCT. High Court, Maitama	Arraigned on 56 state counts.Court ruled on no case against suspect	N300 Million	Case determined in 2008	Inherited Case filed on April 2nd 2008
Jolly Nyame (FormerGovernor of Taraba State)	Fed. High Court, Abuja	Arraigned on 41 state counts. Plea already taken and trial begun after all applications filed by the accused to stall trial have been dismissed by the supreme	N1.3 billion	granted bail by court since 2008	Inherited Case filed since 13th July 2007

Source: see page 149

(APPENDIX 1 CONT..)

		court. Trial fully commenced and on-going at FCT HC.			
Chimaroke Nnamani(Former Governor of Enugu State)	Fed. High Court, Lagos	Arraigned on 105 state counts. Plea already taken but case is stalled as defence lawyer filed to transfer case to another judge on allegation of bias against trial judge even as counsel has again filed to challenge court jurisdiction.This is equally an attempt to prolong trial.	N5.3 Billion	granted bail by court since 2007	Inherited Case filed since 11th Dec.2007
Michael Botmang(Former Governor of Plateau State)	Fed. High Court, Maitama	Arraigned on 31 state counts. Plea already taken but trial stalled due to suspect's ailment, on dialysis.	N1.5 Billion	granted bail by court since 2008	Commenced by Waziri on 18th July 2008
Roland Iyayi (FormerManaging Director of FAAN)	FCT High Court, Maitama	Arraigned on 11 state counts. Plea already taken.Trial on-goingCourt taking prosecution witnesses testimony	N5.6 Billion	granted bail by court since 2008	Commenced by Waziri in June 2008
Nyeson Wike (Serving Chief of Staff to Governor of Rivers State)	FCT High Court, Maitama	Arraigned on state counts. Court quashed charges.EFCC already appealed judgement. Appeal pending at appeal court.	N4.670 Billion	granted bail by court since 2008	Commenced by Waziri on Oct.9 2008
Eider George (AustrianBusiness man)	FCT High Court, Maitama	Arraigned on 11 state counts. Plea already taken and trial on-going. Prosecution witnesses undergoing cross-examination. Court granted suspect leave to travel abroad for medical treatment.		granted bail by court since 2008	Commenced by Waziri in June 2008
Kenny Martins (PoliceEquipment Fund)	FCT High Court, Maitama	Arraigned on 28 amended state counts. Plea already taken and trial on- going. Witnesses under cross-	N774 Million	granted bail by court since 2008	Commenced by Waziri in June 2008

Source: see page 149

		examination. Continuation of trial fixed for Nov.9			
(APPENDIX 1 CONT..)					
13 Filipinos (Charged forOil Bunkering)	Fed. High Court, Benin	Arraigned on state counts, convicted at the close of trial and sentenced to 65 Years altogether	N300 Million	EFCC returns to court to seek forfeiture of vessel used for oil theft.	Commenced by Waziri in 2009
6 Ghanaians . (Charged forOil Bunkering) and Nigerian accomplice.	Fed. High Court, Benin	Arraigned on state counts and trial Commenced. Prosecution closed case, matter adjourned for defence to close.	N250 Million	granted bail by court in 2009. All 7 accused sentenced to 112 years imprisonment April 30, 2010	Commenced by Waziri in June 2009
Patrick Fernadez(Indian Buisnessman)	Fed. High Court, Lagos	Arraigned on 56 state counts. Plea already taken and trial commences Nov.	N32 Billion	granted bail by court in 2009	Commenced by Waziri in 2009
Prof. Babalola Borishade(Former Minister of Aviation)	FCT High Court, Maitama	Arraigned on 11 state counts. Plea already taken and trial on-going (N5.6 billion) Prosecution witnesses under cross-examination.	N5.6 Billion	granted bail by court since 2008	Commenced by Waziri in June 2008
Boni Haruna (FormerGovernor, Adamawa State)	Fed. High Court Maitama	Arraigned on amended 28 state counts. Plea taken. Adoption of motion slated for Nov	N254 Million	granted bail by court since 2008	Commenced by Waziri in 2008
Femi Fani-Kayode(Former Minster of Aviation)	Fed. High Court, Lagos	Arraigned on 47 state counts . Plea taken but case stalled as a result of trial court's refusal to admit e-print of suspect's statement of account as evidence. EFCC won appeal against the decision. Defence on appeal at supreme court.	N250 Million	granted bail by court in 2008	Commenced by Waziri in 2008
Prince Ibrahim Dumuje (Police Equip-ment Fund) Source: see page 149	FCT High Court, Abuja	Arraigned on 28 amended state counts. Plea taken and trial on-going. Prosecution witnesses under cross-examination. Continuation fixed	N774 Million	granted bail by court since 2008	Commenced by Waziri in June 2008

(APPENDIX 1 CONT..)		for Nov.9			
Bode George (Chieftain ofthe ruling party, PDP)	Fed. High Court. Lagos	Arraigned on 68 state counts. Plea taken and trial concluded. Accused convicted and sentenced to 2 years. Convict on appeal while serving jail term.	N100 Billion	granted bail by court since 2008. Has been in jail after conviction in Oct 2009.	Commenced by Waziri in Dec.08
Rasheed Ladoja (FormerGovernor of Oyo State)	Fed. High Court, Lagos	Arraigned on 33 state counts. Plea taken and trial on-goingProsecution witnesses slated for cross-examination in Nov.	N6 Billion	granted bail by court since 2008	Commenced by Waziri
Four Snr Zenith Bank Managers	Fed. High Court, Port Harcourt	Arraigned on 56 state counts. Plea taken but case stalled over an injunction by Rivers State Govt, which is a party in the case to stop EFCC. Injunction being challenged at appeal court	N3.6 Billion	Granted bail by court in 2009	Commenced by Waziri
Mallam Nasir El-Rufai(Former Minister of Federal Capital Territory)	Fed. High Court, Abuja	Arraigned on 8 state counts.Suspect charged for corruption and abuse of office.Plea taken and case adjourned for trial but accused challenged jurisdiction of court as a ploy to delay trial. Case adjourned.		Suspect at large but returned to the country. Interrogated on May 4, 2010 and arraigned on May 12	Commenced by Waziri in 2009.
Sen. Nicholas Ugbade, (Serving Senator) Hon. Ndudi Elumelu Hon. Mohammed Jibo,Hon. Paulinus Igwe,(Serving Members of House of Rep)Dr Aliyu Abdullahi (Serving Fed.Perm.Sec) Mr. Samuel Ibi. Mr. Simon Nanle,Mr. Lawrence Orekoya, Mr Kayode Oyedeji,Mr. A. Garba Jahun	FCT High Court Abuja (This is the Rural Electrification Agency Case involving a serving Senator, 3 serving members of the House of Representatives , the Permanent	Arraigned on 158 state counts. Plea taken while prosecution has filed more charges against suspects. Suspects filed to quash charges but application thrown out by court.	N5.2 Billion	Remanded in Prison Custody and later granted bail Court in 2009 **Source: see page 148**	Commenced by Waziri in May 2009

(APPENDIX 1 CONT..)	Secretary of the Ministry of Power and other high profile public officers)				
Prof B.Sokan, MolkatMutfwang, Michael Aule, Andrew Ekpanobi, (All Directors) Alexander Cozman(MD,In termarket Ltd). (This is the UBEC case where high profile public servants connived with an American, Alexander Cozman) to defraud the Government.	Federal High Court, Abuja	Arraigned on 64 state counts. Plea taken while more charges were filed against suspects due to appearance of Prof Sokan. Matter adjourned to Nov 9 for suspects to take plea on amended charges	N636 Million	Suspects remanded in prison custody and later granted bail by court in 2009.	Commenced by Waziri on May 19 2009
Dr Ransome Owan, Mr. Abdulrahman Ado, Mr. Adulrasak Alimi, Mr. Onwuamaeze Iloeje, Mrs Grace Eyoma, Mr. Mohammed Bunu,Mr. Abimbola Odubiyi	Federal High Court, Abuja	Arraigned on 196 state counts. Plea taken. Trial billed to commence while more charges were filed against suspects. Further hearing slated for Oct 29. But the FG has withdrawn charges against the accused persons who were consequently discharged by the court on Sept 16,2010	N1.5 Billion	granted bail by court in 2009	Commenced by Waziri on April 22 2009
Tom Iseghohi, Muhammed Buba, MikeOkoli,(GM&Managers of Transcorp Group PLC)	Fed. High Court, Abuja	Arraigned on 32 state counts. Plea taken. Matter adjourned for commencement of trial Nov 9.	N15 Billion	Suspects Remanded in Kuje Prison and later granted bail by court in 2009	Commenced by Waziri in May 2009
Dr Albert Ikomi, rtd perm sec, his firm, satelite town dev co Ltd	Fed. High Court, Ikoyi, Lagos	Arraigned on 4 state counts. Plea taken and Matter adjourned for hearing	N43 Million	Suspects Remanded in Ikoyi Prison and later granted bail by court in 2009	Commenced by Waziri in 2009
Dr Yuguda Manu Kaigama,Chairman, Taraba State Civil Service Commission	Taraba State High Court 5, Jalingo	Arraigned on 37 state counts . Plea taken and Matter stalled as suspect dropped dead.	N17 Million	Suspect remanded in prison custody. Co-accused, Yakubu Danjuma Takun, at large.	Commenced by Waziri on Oct.10 2009
Chief Joe Musa, DGNatioanl Gallery of Art, Olusegun Ogumba, Chinedu Obi, Oparagu Elizabeth, Kweku Tandoh, **(All Directors of NGA).**	FCT High Court, Lugbe (Justice Olukayode Adeniyi)	Arraigned on 12 state counts . Plea taken and defence lawyer filed applications to stall trial but lost the bid. Matter adjourned for trial	N1.012 Billion	Suspects Remanded in Kuje Prison and later granted bail by court in 2009	Commenced by Waziri in July 20 2009 **(Source: see page 175)**

(APPENDIX 1 CONT..)		Nov 19/20, 2010			
Dr Dayo Olagunju,Ex. Sec. National Commission for Mass Literacy, Adult & Non-Formal Education. Joshua Alao, Alice Abang, Jibrin Waguna, Ahmed Abubakar, Shehu Abdullahi, Dr Victoria King-Nwachukwu, Adamu Khalid, Moses Oseni, Francis Awelewa & Bashir Suleiman	Fed. High Court, Abuja. Justice Anuli Chikere	Arraigned on 17 state counts.Plea taken and Matter adjourned for commencement of trial Oct 22, 2010	N479 Million	Suspects Remanded in Kuje Prison and later granted bail by court in 2009	Commenced by Waziri 24 July 2009
Hamman Bello Hammed, Ex-CG Customs, Hannatu Sulaiman, Tajudeen Olalere, Lukman Hussain, Popular Foods Ltd & Silver Maritime shipping coy ltd	Fed. High Court , Lagos. Justice Ramat Mohammed	Arraigned on 46 state counts. Plea taken Matter adjouned to Nov for trial but FG filed to withdraw charges.	N2.5 Billion	Suspects Remanded in Kirikiri & Ikoyi Prisons and later granted bail by court in 2009.	Commenced by Waziri on 14th Aug. 2009
Professor Innocent ChukaOkonkwo, fmr VC Imo state Univ, Uchechi Nwugo & Wilfred Uwakwe	Fed.High Court, Abuja. Justice Mohammed Garba Umar	Arraigned on 14 state counts. Plea taken Adjourned to Nov for trial.	N145 Million	Suspects Remanded in Kuje Prison and later granted bail by court in 2009	Commenced by Waziri on July 30,2009
Dr (Mrs) Cecilia Ibru(Fmr CEO, Oceanic Bank PLC)	FHC, Ikoyi, Lagos. Justice Dan Abutu	Arraigned on 25 state counts. Plea taken and case adjourned to Nov for trial	N160.2 Billion	Suspect convicted and jailed for 18 Months on Friday October 8, 2010 by Justice Dan Abutu of FHC, Lagos. To forfeit assets and funds worth over N191 billion.	Commenced by Waziri on Aug 31 2009
Dr Bartholo-mew (Fmr CEO, Union Bank PLC) Bassey Ebong, Henry Onyemem & Niyi Albert Opeodu (Ex- Directors, UBN)	FHC, Ikoyi, Lagos. Justice Dan Abutu	Arraigned on 28 state counts. Plea taken and case adjourned to Nov for trial	N187.1 Billion	Suspects remanded in EFCC custody, But granted bail on 14/9/09	Commenced by Waziri on Aug 31 2009
Raymond Obieri,(FmrChairman,Inter continental Bank PLC Hyacinth Enuha, Ikechi Kalu, C.A Alabi, Samuel Adegbite, Isyaku Umar, Sanni Adams.	FHC, Ikoyi, Lagos. Justice Dan Abutu	Arraigned on 18 state counts. Plea taken and case adjourned to Nov for trial	N131.8 Billion	Suspects remanded in EFCC custody, But granted bail on 14/9/09	Commenced by Waziri on Aug 31 2009
Sebastian Adigwe,	FHC, Ikoyi, Lagos. Justice Dan Abutu	Arraigned on 36 state counts. Plea taken and case adjourned to Nov for trial	N277.3 Billion	Suspects remanded in Prison custody, But granted bail on 15/9/09	Commenced by Waziri on Aug 31 2009

(APPENDIX 1 CONT..)

PeterOlolo, Falcon Securities Ltd

Okey Nwosu	FHC, Ikoyi, Lagos. Justice Dan Abutu	Arraigned on 11 state counts. Plea taken and case adjourned to Nov for trial	N95.1 Billion	Suspects remanded in Prison custody, But granted bail on 15/9/09	Commenced by Waziri on Aug 31 2009
Alex Nkenchor, Ex-Bank Manager, Ebi Odeigah & GMT Securities & Assets Nig Ltd.	Lagos High Court, Ikeja. Justice M.O Obadina	Arraigned on 10 state counts. Plea taken and suspects still remanded in prison custody pending consideration of bail application.	N860 Million	Suspects remanded in ikoyi prison. Bail application for consideration Oct20	Commenced by Waziri on Oct 13 2009
Francis Atuche, Former CEO,Bank PHB	Fed High Court, Lagos	Arraigned on a 26 count charge. Plea taken. Suspect challenged charges but court upheld charges. Matter set for trial in Nov.	N80 billion	Suspect remanded and later granted bail by court. His assets frozen.	Commenced by Waziri on Oct 28, 2009.
Adamu Abdullahi,Former Gov of Nasarawa state.	Fed High Court, Lafia, Nasarawa. Justice I.N. Buba	Arraigned on 149 count charge. Suspect granted bail by court. Case slated for trial in Oct.	N15 billion	Suspect on court bail.	Commenced by Waziri on March 3, 2010.
Attahiru Bafarawa,former governor of Sokoto state.	Sokoto state High Court.	Arraigned on 47 count charge. Matter stalled HC due to accused application at appeal court.	N15 billion	Suspect remanded in prison custody and later granted bail by court. Case slated for trial.	Commenced by Waziri on December 16, 2009.
Francis Okokuro,Bayelsa state Accountant General	Fed. High Court, Abuja	Arraigned on 6 count charge. Matter stalled due to accused application for stay.	N2.4 billion	Suspect remanded in prison custody till April 13.	Commenced by Waziri on March 24, 2010
Dr Charles Silva Opuala	Fed High Court, Abuja	Arraigned on 6 count charge. Matter stalled due to accused application for stay	N2.4 billion	Suspect arraigned and remanded in Kuje prison custody on April 13 till he meets bail conditions	Commenced by Waziri on March 24, 2010
Chief Osa Osunde(fmrChairman Afribank), and 4 directors: Jibrin Isah, Isa Zailani, Chinedu Onyia and Henry Arogundade	Fed.High Court, Lagos **(Source: see page 175)**	Arraigned on 33 count charge. Matter adjourned to Nov for trial	N55 billion	Suspects arraigned on April 21, 2010. Remanded in EFCC custody and later granted bail by	Commenced by Waziri on April 21, 2010

(APPENDIX 1 CONT..)

				the court.	
Mr Oladele Shittu, CEO ofCredence Investment	Fed High Court, Kaduna. Justice Mohd Shuaibu	Arraigned on 136 count charge. Matter adjourned for trial	N139 million	Suspect arraigned on March 23 2010. Remanded in Kad prison custody till July 12, 2010.	Commenced by Waziri on March 23, 2010
Mr Sunday Akinyemi,fmr CEO Texas Connection Ferries	Lagos High Court. Justice J Adebajo	Arraigned on 30 count charge. Application for bail rejected, trial commenced.	N90 million	Suspect arraigned March 11 & April 11, 2010.Remanded in prison.	Commenced by Waziri on March 11, 2010
Hon. T Faniyi, Albert Soje &others	FHC, Abuja.Justi ce Adamu Bello/Justic e David Okorowa	Arraigned on 30 count charge(14,10 &6), trial commenced.	N3 billion	Suspects arraigned on April 1 2010. Remanded in prison custody and later granted court bail.	Commenced by Waziri on April 1, 2010
Adeniyi Elumaro,Rakiya Mamman, Integrated Capital Services Ltd	FCT High Court. Justice Olukayode Adeniyi	Arraigned on 22 count charge	N405 million	Suspects arraigned on Aug 12, 2010. Granted bail by court and remanded in prison pending when they meet conditions	Commenced by Waziri on Aug 12, 2010.
Dr Erastus Akingbola, fmrMD/CEO, IBplc	FHC, Ikoyi, Lagos.Justi ce Mohd Idris	Arraigned on 22 count charge	N27 billion.	Suspect arraigned on Aug 13. Remanded in custody till Ag 23.	Commenced by Waziri on Aug 13, 2010
SaniLulu, & 3other sackedNFF board members	FHC, Abuja.Justi ce Donatus Okorowa	Arraigned on 10 counts. Case adjourned till Oct 5, 2010 for trial.	N1.5 billion	Suspects arraigned Sept 7, remanded in prison till 13th when court released them on bail	Commenced by Waziri on Sept 7, 2010.

SOURCE:Infamous ListBy EFCC's published in October 2010 20:20 co- Authored: TransparencyNG

Appendix 2 NOTABLE ACCOUNTING SCANDALS

Xerox	2000	Kpmg	Usa	Falsify financial results
Enron	2001	Arthur Andersen	Usa	
AOL	2002	Ernst & young	Usa	Inflated sales
Halliburton	2002	Arthur Andersen	Usa	Improper booking of cost overruns
Nicor	2002	Arthur Andersen	Usa	Over stated assets and understating liabilities
Worldcom	2002	Arthur**(Source: see next page)**	Usa	Overstated cashflow
Parmalat	2003		Italy	Falsified accounting documents

(APPENDIX 2 CONT.)

Nortel	2003	Deloitte & touché	Canada	Distributed ill advised corporate bonuses to top 43mgrs

SOURCE: WIKIPEDIA RETRIEVEDRETRIEVED 10 JULY 2011.

Appendix 3 RESEARCH QUESTIONNAIRE

Department of Accountancy, Faculty of Management Science, Nnamdi Azikiwe University, Awka, Anambra State, Nigeria

Dear Respondent,

EFFECT OF INTERNATIONAL ACCOUNTING STANDARDS AND OTHER ACCOUNTING MEASURES ON COMBATING FRAUD AND WHITE COLLAR CRIMES IN NIGERIA

The questions below are part of a research work which seeks to obtain information on combating fraud and white collar crime through strategic use of international financial reporting standards. The resultant dissertation will be submitted to the Department of Accountancy, Nnamdi Azikiwe University Awka in partial fulfilment of the requirement for the award of the degree of Doctor of Philosophy (Ph.D.) in accounting. Any information given in this regard will greatly assist in achieving the objectives of this study.

We shall treat all information disclosed to us in the strictest confidence. We strongly appeal for your kind support.

RESEARCHER:

Nenyiaba Ile Charles.

APPENDIX 3 CONT…

SECTION A

Respondent Bio- data

Please circle the appropriate response

a. Your Gender: (a) Male (b) Female

b. Your highest academic qualification:

(i) HND/ B.Sc/BA (ii) MBA/MSc/MA (iii) PhD

c. The professional body you belong to:

d. ICAN (ii) ANAN (iii) ACCA (iv) CPA

e. Your professional Status: (i) Fellow (ii) Associate

f. Which of the following group do you belong?

(i) Ministry, Department or Agency of government [ ]

(ii) Bankers [ ]

SECTION B.

Rating Scale: (5) very strong (4) strong (3) fairly strong (2) weak (1) very weak

No	Item	5	4	3	2	1
	Rate International Accounting Reporting Standards (which is comprised of the following; International Financial Reporting Standard (IFRS), International Public Sector Accounting Standard (IPSAS), International Standard of Audit (ISA) and the Public Sector Perspective (PSP)) as measures that ensure the following.					
1.	Full disclosure of assets and liabilities of an entity					
2.	Check falsification, alteration, or manipulation of financial records					
3.	Ensure that there is no misrepresentations of events and transactions in an entity					
4.	Check misapplication of accounting principles, policies, and procedures used to measure, recognize, report, and disclose economic events					
5.	Ensure full disclosures regarding accounting principles and policies and related finances					
6.	Ensure no fabrication of revenue					
7.	Ensure that no recording of expenses in the wrong period					

8.	Ensure that expense are not omitted					
9.	No improper asset valuations					
10.	No Management fraud					

SECTION C

	SD = Strongly Disagree D = Disagree N = Neutral A= Agree SA = Strongly Agree	SD	D	N	A	SA
11.	Compliance with accounting standards alone cannot ensure production of fraud free financial reports in Nigerian public sector.					
12.	Compliance with accounting standards alone cannot ensure reduction of spate of financial fraud in Nigerian banking sub-sector.					
13	Absence of forensic accounting courses in the training programme of practicing accountants are not responsible for inability of auditors to detect white collar crimes in Nigeria public sector					

	SECTION D Rate International Accounting Reporting Standard (IARS) capability to ensure fraud free financial reports through its provisions on each of the following. RATING SCALE (5,4,3,2 and 1)	5	4	3	2	1
14.	Universality of Principles					
15.	Valuations technique acceptability					
16.	Vastness of disclosures requirements					
	Rate Corporate Governance efforts to ensure that each of the following is done properly in an organisation which can result in production of fraud free financial reports					
17.	Universality of Principles					
18.	Valuations technique acceptability					
19.	Vastness of disclosures requirements					
	Rate Internal Control abilities to ensure that each of the following is done properly in an organisation which can result in production of fraud free financial reports					
20.	Universality of Principles					
21.	Valuations technique acceptability					

22. Vastness of disclosures requirements

Rate Auditor's Independence as a factor that can ensure that each of the following is done properly in an organisation which can result in production of fraud free financial reports

23. Universality of Principles

24. Valuations technique acceptability

25. Vastness of disclosures requirements

Rate Auditor's Education level as a factor that can ensure that each of the following is done properly in an organisation which can result in production of fraud free financial reports

26. Universality of Principles

27. Valuations technique acceptability

28. Vastness of disclosures requirements

Rate Whistle Blowing as a factor that can ensure that each of the following is done properly in an organisation which can result in production of fraud free financial reports

29. Universality of Principles

30. Valuations technique acceptability

31. Vastness of disclosures requirements

SECTION E

Assess the elements of each of the factors mentioned below that can ensure production of Fraud Free Financial Report

32. **Whistle Blowing**.
33. Whistle blowers are protected by law/s
34. Nigerians willingness and patriotism to blow whistle
35. Measures to ensure that there are no frivolous whistle blowers ie crying wolves were there is none
36. Guarantee that the complaints will be addressed

Accountants' Education

37. Tertiary education institutions provide relevant accounting and auditing courses that are sensitive to environmental changes
38. Professional bodies course contents sensitive to environmental changes

Sound Corporate Governance

39. Composition of shareholders – outsiders directors
40. Provisions in the code of corporate governance that compensate for ineffective laws and weak enforcement of regulations and laws

APPENDIX 3 CONT…

41. More insider shareholders
42. Board size
43. Ownership concentration – block holdings
44. Debt holder oversight function on debtors

Internal Controls

45. Internal checks adequacy
46. Measures to ensure completeness of accounting documents/records
47. Evidence of segregation of duties

Auditors' Independence

48. Auditors are appointed by directors
49. Auditors do not overstay in office – less than 10 years stay
50. Auditors remunerations approved by the board and paid by management
51. Auditors not engaged in consultancy jobs in the same organisation
52. % of the fee of the auditors to their entire income in a year.

SOURCE: Researcher Design (2014)

Appendix 4 QUESTIONNAIRE RESPONSES

No of respondents	Gender	Academic Qualification	Professional qualification	Professional Status	Sector
1	1	2	1	2	2
2	1	1	3	2	2
3	1	2	1	2	2
4	2	2	3	2	2
5	2	1	3	2	2
6	2	2	1	2	2
7	2	1	1	2	2
8	1	1	1	2	2
9	1	1	3	2	2
10	2	2	3	2	2
11	1	1	2	2	2
12	2	2	1	2	2
13	1	1	1	2	2
14	1	2	3	2	1
15	1	1	1	2	2
16	2	1	1	2	2
17	1	1	2	2	1
18	2	1	3	2	2
19	1	1	1	2	2
20	2	1	3	2	1
21	1	2	1	2	2
22	1	1	3	2	2
23	2	1	1	2	2
24	1	1	2	2	2
25	2	1	1	2	1
26	1	1	3	1	1
27	2	1	3	1	1
28	1	1	1	2	1
29	1	1	1	2	4
30	1	1	1	2	1
31	1	2	1	1	4
32	1	1	1	2	1
33	1	1	3	2	1

APPENDIX 4 CONT….

No of respondents	Gender	Academic Qualification	Professional qualification	Professional Status	Sector
34	2	1	1	2	2
35	1	1	1	2	2
36	1	1	3	2	1
37	1	1	1	2	2
38	2	1	2	2	1
39	1	1	1	2	1
40	1	1	1	2	2
41	1	2	1	2	1
42	1	1	1	2	1
43	1	1	1	2	1
44	1	1	1	2	1
45	2	1	1	2	1
46	1	1	1	2	1
47	1	2	1	2	2
48	1	1	1	2	2
49	1	1	1	2	2
50	1	2	1	1	2
51	1	2	1	2	2
52	1	2	1	2	2
53	1	2	1	1	2
54	1	2	1	2	2
55	1	1	1	2	2
56	1	1	3	2	2
57	1	1	3	2	2
58	1	1	1	2	2
59	1	1	1	2	1
60	2	1	1	2	1
61	1	2	1	1	1
62	1	2	1	2	1
63	1	2	2	2	1
64	1	1	1	2	2
65	2	1	1	2	1
66	1	1	1	2	1
67	2	1	1	2	1
68	1	1	1	2	1
69	2	1	1	2	1
70	1	2	3	2	1
71	1	1	2	2	1
72	1	1	1	2	2
73	1	1	3	2	1
74	1	2	1	2	2

APPENDIX 4 CONT….

No of respondents	Gender	Academic Qualification	Professional qualification	Professional Status	Sector
75	1	1	1	2	2
76	1	2	1	2	2
77	2	1	1	2	1
78	1	2	1	2	1
79	1	1	1	3	1
80	1	1	1	2	2
81	2	1	1	2	1
82	1	2	3	2	2
83	1	1	1	2	1
84	2	1	1	2	1
85	2	1	3	2	1
86	1	2	1	3	1
87	1	1	1	2	2
88	2	2	1	1	5
89	1	2	1	2	1
90	2	1	1	2	1
91	1	3	1	1	1
92	1	1	1	2	1
93	1	2	3	2	1
94	1	2	1	2	2
95	1	1	1	2	2
96	2	1	2	2	1
97	2	2	3	2	2
98	1	2	3	1	2
99	1	1	1	2	2
100	2	1	1	1	1
101	2	1	1	2	1
102	2	3	1	2	2
103	1	1	3	2	2
104	1	1	1	2	2
105	1	1	1	2	2
106	2	1	1	2	2
107	1	3	1	1	2
108	2	1	1	1	2
109	2	1	1	2	2
110	1	1	1	2	2
111	2	1	1	2	1
112	1	1	1	2	2
113	1	1	2	2	1
114	2	1	2	2	1
115	1	1	2	2	1

APPENDIX 4 CONT….

No of respondents	Gender	Academic Qualification	Professional qualification	Professional Status	Sector
116	1	2	1	1	2
117	1	1	1	1	2
118	1	1	3	1	2
119	2	1	1	1	1
120	1	2	1	1	2
121	1	1	1	2	2
122	1	2	1	2	2
123	1	2	1	1	2
124	2	1	2	2	1
125	1	2	1	1	2
126	1	1	3	2	2
127	1	2	2	2	2
128	2	1	2	2	1
129	1	3	1	1	2
130	2	1	3	2	2
131	1	3	3	2	2
132	1	3	1	1	2
133	2	1	1	2	2
134	1	2	1	2	5
135	1	1	1	2	2
136	1	1	1	2	1
137	2	1	1	2	2
.	2	2	3	2	2
.	1	1	2	2	2
.	2	2	1	2	2
.	1	1	1	2	2
.	1	2	3	2	1
695	1	1	1	2	2
696	2	1	1	2	2
697	1	1	2	2	1
698	2	1	3	2	2
699	1	1	1	2	2
700	2	1	3	2	1

Source: Researcher's field survey (2014)

Appendix 5 COMPIANCE WITH ACCOUNTING STANDARDS – PUBLIC SECTOR

QUESTIONNAIRE

SECTION C

(I)	SD	D	N	A	SA
1				1	
2		1			
3			1		
4		1			
5			1		
6		1			
7		1			
8		1			
9		1			
10				1	
11		1			
12					1
13				1	
14				1	
15			1		
16			1		
17		1			
18			1		
19		1			
20					1
21					1
22				1	
23					1
24					1
25				1	
26					1
27			1		
28		1			
29			1		
30					1

(Appendix 5 cont..)					
31		1			
32		1			
33					1
34					1
35					1
36	1				
37		1			
38			1		
39					1
40					1
41		1			
42	1				
43			1		
44	1				
45			1		
46		1			
47		1			
48			1		
49		1			
50				1	
51				1	
52	1				
53			1		
54					1
55					1
56		1			
57				1	
58		1			
59			1		
60			1		
61					1
62	1				
63	1				
64	1				
65					1
66		1			
67					1
68	1				
69	1				
70	1				
71	1				
72	1				
73		1			
74				1	

75	**(Appendix 5 cont..)**		1			
76						1
77						1
78		1				
79			1			
80			1			
81		1				
82		1				
83					1	
84					1	
85			1			
86		1				
87			1			
88			1			
89			1			
90			1			
91						1
92			1			
93		1				
94		1				
95					1	
96			1			
97			1			
98						1
99			1			
100			1			
101			1			
102		1				
103		1				
104		1				
105		1				
106		1				
107			1			
108			1			
109			1			
110		1				
111		1				
112		1				
113		1				
114			1			
115		1				
116				1		
117					1	
118		1				

119	**(Appendix 5 cont..)**	1				
120					1	
121			1			
122		1				
123				1		
124			1			
125		1				
126		1				
127		1				
128			1			
129		1				
130		1				
131			1			
132		1				
133		1				
134		1				
135		1				
136			1			
137		1				
138		1				
139			1			
140			1			
141		1				
142		1				
143			1			
144			1			
145				1		
146		1				
147		1				
148					1	
149				1		
154				1		
155		1				
.	.	.	.	.	.	.
.	.	.	.	.	.	.
695		.	.	.	.	.
696	1					
697		1				
698	1					
699	1					
700	1					

Source: Researcher's field survey (2014)

APPENDIX 5B AVERAGE SCORE BY BANKERS

	IARS	AE	WB	IC	CG	AI	FFFR
FFFR	4.197318	4.205939	4.036398	4.136015	4.016284	4.052682	7
1	4.666667	4	4	5	4	4.666667	4.388889
2	4.333333	5	4	5	4	5	4.555556
3	4	4.333333	4.666667	5	4.333333	4.666667	4.5
4	3	4	2	4	3	3.333333	3.222222
5	4.333333	4.666667	4.333333	4.666667	4	5	4.5
6	3.333333	2	4	3	2	3.666667	3
7	4.666667	4.666667	4.666667	4.666667	4.666667	5	4.722222
8	3.666667	3.666667	4	4.666667	4	4.666667	4.111111
9	4.666667	4.666667	4.666667	4.666667	4.666667	4.666667	4.666667
10	5	4.333333	4.333333	3.666667	3.666667	4.666667	4.277778
11	4	4	3	2.666667	3	3	3.277778
12	4.666667	4	3.333333	4.666667	5	4	4.277778
13	4	4.666667	4.333333	3.333333	4.333333	4.333333	4.166667
14	3.666667	3.666667	4.666667	3.666667	3.666667	4	3.888889
15	4	5	4	5	4	5	4.5
16	4.666667	3.666667	3.666667	3.666667	3.666667	3.333333	3.777778
17	4.333333	4.333333	4.666667	4.333333	4.666667	4.333333	4.444444
18	4.333333	4.333333	4.333333	4.666667	4.333333	4.666667	4.444444
19	3.333333	4.333333	4	4.333333	4.333333	3.666667	4
20	4.333333	4.333333	4.333333	5	4.333333	4.666667	4.5
21	4	4.333333	3.333333	4	3.333333	4	3.833333
22	5	4.666667	4	4	5	4.666667	4.555556
23	3.666667	3.666667	5	4	5	4	4.222222
24	5	5	5	5	4.333333	5	4.888889
25	4	4	4	4	4	4	4
26	5	3.333333	5	5	4	4	4.388889
27	3.333333	3.666667	3.666667	4.666667	4	3.333333	3.777778
28	5	4.666667	5	4.666667	4.333333	5	4.777778
29	4	2	3.666667	3.666667	2	2	2.888889
30	4	4	3.666667	3	3	2	3.277778
31	4.333333	3.333333	4	4	4	3	3.777778
32	4	3	3	4	4	3	3.5
33	1	2	1	1.333333	2	2.333333	1.611111
34	1	1	1	2	2	2	1.5
35	2	2.333333	3.666667	3	3	3	2.833333
36	5	4.333333	5	4.666667	5	5	4.833333
37	3.666667	3.333333	3.666667	3.666667	4	4	3.722222
38	4	2	2	2	4	2	2.666667
39	3.666667	4.333333	4	4.666667	4.666667	5	4.388889
40	4.333333	4.333333	3	4	3	4	3.777778
41	4.666667	4.666667	4.666667	4.666667	4.333333	5	4.666667

APPENDIX 5B CONT.........

42	5	4	3.666667	4	4	2	3.777778
43	1	1	1	1	1	1	1
44	4.333333	3.666667	4.333333	4.333333	4.666667	3.666667	4.166667
45	4.666667	4	4	4	4.666667	4	4.222222
46	5	4.666667	4.666667	5	4	3.666667	4.5
47	3.666667	4.333333	5	4.333333	4	3.333333	4.111111
48	4.666667	4.333333	4	4	3.333333	4.333333	4.111111
49	4.666667	4	3.666667	3.666667	4	2.333333	3.722222
50	3.333333	3.666667	4	3.666667	3.333333	4	3.666667
51	5	5	4.333333	2.666667	4.333333	4.333333	4.277778
52	4.333333	4.666667	4.666667	4.666667	5	4.333333	4.611111
53	5	4.666667	5	5	5	4	4.777778
54	5	5	5	3.666667	5	4	4.611111
55	4	5	3.666667	5	4	5	4.444444
56	4.333333	3.333333	3.666667	4.333333	4	4.333333	4
57	5	4.666667	4.666667	4.333333	4	4.333333	4.5
58	4.333333	5	4	5	4.666667	5	4.666667
59	5	5	5	4.666667	4.666667	4	4.722222
60	4	4.333333	4	4.666667	3	4.333333	4.055556
61	5	5	4.333333	5	5	5	4.888889
62	5	4.666667	4.666667	5	4.333333	4.666667	4.722222
63	4.666667	4	4	4	4	4	4.111111
64	4.666667	4.666667	4.333333	4.333333	4.333333	4.666667	4.5
65	4.333333	4.333333	4.666667	4.333333	3.666667	5	4.388889
66	4	4	4	4	4	3.333333	3.888889
67	3.666667	4.666667	4.666667	4.333333	4.333333	4.333333	4.333333
68	4	3.333333	3.333333	2.666667	3	3.666667	3.333333
69	4.666667	2.666667	2.666667	3	3	2.666667	3.111111
70	5	4	5	5	5	5	4.833333
71	4.666667	4.333333	4.666667	3.666667	4.666667	4.333333	4.388889
72	4.333333	4.666667	4.333333	4.666667	5	4.333333	4.555556
73	5	5	5	5	5	5	5
74	4.333333	5	4.333333	4.666667	4.333333	4.333333	4.5
75	4.333333	4.666667	4.666667	5	5	4.666667	4.722222
76	4.333333	5	4	4.666667	4.333333	4.666667	4.5
77	4	4	4.333333	4	4	5	4.222222
78	5	5	4.666667	5	4.333333	4	4.666667
79	4.333333	4.666667	4.666667	5	4.333333	5	4.666667
80	5	5	4	4.333333	4	4	4.388889
81	4.666667	4.333333	4	4.333333	4.333333	5	4.444444
82	4.666667	4.333333	4.333333	4.666667	4.333333	4.666667	4.5
83	5	4.666667	4.666667	4.333333	4.333333	4.666667	4.611111
84	4.333333	4.666667	4.333333	5	5	4.333333	4.611111
85	4	4.666667	4.666667	4.333333	4.666667	4	4.388889
86	4.333333	3.333333	3.333333	2.333333	2.333333	4	3.277778

APPENDIX 5B CONT……….

87	4	4	5	5	5	5	4.666667
88	3.666667	3.333333	3.666667	3.666667	3.666667	4	3.666667
89	5	20.66667	4.333333	4.666667	4	5	7.277778
90	3.333333	4	3.333333	3.666667	3.333333	3.333333	3.5
91	3.333333	3.666667	3.666667	3	3.333333	4	3.5
92	4	3	3.666667	4	4.666667	4	3.888889
93	5	5	5	5	5	5	5
94	4	3.333333	3.666667	4.333333	4	3.666667	3.833333
95	4.666667	4	4	5	4	4.666667	4.388889
96	4.333333	5	4	5	4	5	4.555556
97	4	4.333333	4.666667	5	4.333333	4.666667	4.5
98	3	4	2	4	3	3.333333	3.222222
99	4.333333	4.666667	4.333333	4.666667	4	5	4.5
100	3.333333	2	4	3	2	3.666667	3
101	4.666667	4.666667	4.666667	4.666667	4.666667	5	4.722222
102	3.666667	3.666667	4	4.666667	4	4.666667	4.111111
103	4.666667	4.666667	4.666667	4.666667	4.666667	4.666667	4.666667
104	5	4.333333	4.333333	3.666667	3.666667	4.666667	4.277778
105	4	4	3	2.666667	3	3	3.277778
106	4.666667	4	3.333333	4.666667	5	4	4.277778
107	4	4.666667	4.333333	3.333333	4.333333	4.333333	4.166667
108	3.666667	3.666667	4.666667	3.666667	3.666667	4	3.888889
109	4	5	4	5	4	5	4.5
110	4.666667	3.666667	3.666667	3.666667	3.666667	3.333333	3.777778
111	4.333333	4.333333	4.666667	4.333333	4.666667	4.333333	4.444444
112	4.333333	4.333333	4.333333	4.666667	4.333333	4.666667	4.444444
113	3.333333	4.333333	4	4.333333	4.333333	3.666667	4
114	4.333333	4.333333	4.333333	5	4.333333	4.666667	4.5
115	4	4.333333	3.333333	4	3.333333	4	3.833333
116	5	4.666667	4	4	5	4.666667	4.555556
117	3.666667	3.666667	5	4	5	4	4.222222
118	5	5	5	5	4.333333	5	4.888889
119	4	4	4	4	4	4	4
120	5	3.333333	5	5	4	4	4.388889
121	3.333333	3.666667	3.666667	4.666667	4	3.333333	3.777778
122	5	4.666667	5	4.666667	4.333333	5	4.777778
123	4	2	3.666667	3.666667	2	2	2.888889
124	4	4	3.666667	3	3	2	3.277778
125	4.333333	3.333333	4	4	4	3	3.777778
126	4	3	3	4	4	3	3.5
127	1	2	1	1.333333	2	2.333333	1.611111
128	1	1	1	2	2	2	1.5
129	2	2.333333	3.666667	3	3	3	2.833333
130	5	4.333333	5	4.666667	5	5	4.833333

APPENDIX 5B CONT………

131	3.666667	3.333333	3.666667	3.666667	4	4	3.722222
132	4	2	2	2	4	2	2.666667
133	3.666667	4.333333	4	4.666667	4.666667	5	4.388889
134	4.333333	4.333333	3	4	3	4	3.777778
135	4.666667	4.666667	4.666667	4.666667	4.333333	5	4.666667
136	5	4	3.666667	4	4	2	3.777778
137	1	1	1	1	1	1	1
138	4.333333	3.666667	4.333333	4.333333	4.666667	3.666667	4.166667
139	4.666667	4	4	4	4.666667	4	4.222222
140	5	4.666667	4.666667	5	4	3.666667	4.5
141	3.666667	4.333333	5	4.333333	4	3.333333	4.111111
142	4.666667	4.333333	4	4	3.333333	4.333333	4.111111
143	4.666667	4	3.666667	3.666667	4	2.333333	3.722222
144	3.333333	3.666667	4	3.666667	3.333333	4	3.666667
145	5	5	4.333333	2.666667	4.333333	4.333333	4.277778
146	4.333333	4.666667	4.666667	4.666667	5	4.333333	4.611111
147	5	4.666667	5	5	5	4	4.777778
148	5	5	5	3.666667	5	4	4.611111
149	4	5	3.666667	5	4	5	4.444444
150	4.333333	3.333333	3.666667	4.333333	4	4.333333	4
151	5	4.666667	4.666667	4.333333	4	4.333333	4.5
152	4.333333	5	4	5	4.666667	5	4.666667
153	5	5	5	4.666667	4.666667	4	4.722222
154	4	4.333333	4	4.666667	3	4.333333	4.055556
155	5	5	4.333333	5	5	5	4.888889
156	5	4.666667	4.666667	5	4.333333	4.666667	4.722222
157	4.666667	4	4	4	4	4	4.111111
158	4.666667	4.666667	4.333333	4.333333	4.333333	4.666667	4.5
159	4.333333	4.333333	4.666667	4.333333	3.666667	5	4.388889
160	4	4	4	4	4	3.333333	3.888889
161	3.666667	4.666667	4.666667	4.333333	4.333333	4.333333	4.333333
162	4	3.333333	3.333333	2.666667	3	3.666667	3.333333
163	4.666667	2.666667	2.666667	3	3	2.666667	3.111111
164	5	4	5	5	5	5	4.833333
165	4.666667	4.333333	4.666667	3.666667	4.666667	4.333333	4.388889
166	4.333333	4.666667	4.333333	4.666667	5	4.333333	4.555556
167	5	5	5	5	5	5	5
168	4.333333	5	4.333333	4.666667	4.333333	4.333333	4.5
169	4.333333	4.666667	4.666667	5	5	4.666667	4.722222
170	4.333333	5	4	4.666667	4.333333	4.666667	4.5
171	4	4	4.333333	4	4	5	4.222222
172	5	5	4.666667	5	4.333333	4	4.666667
173	4.333333	4.666667	4.666667	5	4.333333	5	4.666667
174	5	5	4	4.333333	4	4	4.388889
175	4.666667	4.333333	4	4.333333	4.333333	5	4.444444

APPENDIX 5B CONT.........

176	4.666667	4.333333	4.333333	4.666667	4.333333	4.666667	4.5
177	5	4.666667	4.666667	4.333333	4.333333	4.666667	4.611111
178	4.333333	4.666667	4.333333	5	5	4.333333	4.611111
179	4	4.666667	4.666667	4.333333	4.666667	4	4.388889
180	4.333333	3.333333	3.333333	2.333333	2.333333	4	3.277778
181	4	4	5	5	5	5	4.666667
182	3.666667	3.333333	3.666667	3.666667	3.666667	4	3.666667
183	5	20.66667	4.333333	4.666667	4	5	7.277778
184	3.333333	4	3.333333	3.666667	3.333333	3.333333	3.5
185	3.333333	3.666667	3.666667	3	3.333333	4	3.5
186	4	3	3.666667	4	4.666667	4	3.888889
187	5	5	5	5	5	5	5
188	4	3.333333	3.666667	4.333333	4	3.666667	3.833333
189	4.666667	4	4	5	4	4.666667	4.388889
190	4.333333	5	4	5	4	5	4.555556
191	4	4.333333	4.666667	5	4.333333	4.666667	4.5
192	3	4	2	4	3	3.333333	3.222222
193	4.333333	4.666667	4.333333	4.666667	4	5	4.5
194	3.333333	2	4	3	2	3.666667	3
195	4.666667	4.666667	4.666667	4.666667	4.666667	5	4.722222
196	3.666667	3.666667	4	4.666667	4	4.666667	4.111111
197	4.666667	4.666667	4.666667	4.666667	4.666667	4.666667	4.666667
198	5	4.333333	4.333333	3.666667	3.666667	4.666667	4.277778
199	4	4	3	2.666667	3	3	3.277778
200	4.666667	4	3.333333	4.666667	5	4	4.277778
201	4	4.666667	4.333333	3.333333	4.333333	4.333333	4.166667
202	3.666667	3.666667	4.666667	3.666667	3.666667	4	3.888889
203	4	5	4	5	4	5	4.5
204	4.666667	3.666667	3.666667	3.666667	3.666667	3.333333	3.777778
205	4.333333	4.333333	4.666667	4.333333	4.666667	4.333333	4.444444
206	4.333333	4.333333	4.333333	4.666667	4.333333	4.666667	4.444444
207	3.333333	4.333333	4	4.333333	4.333333	3.666667	4
208	4.333333	4.333333	4.333333	5	4.333333	4.666667	4.5
209	4	4.333333	3.333333	4	3.333333	4	3.833333
210	5	4.666667	4	4	5	4.666667	4.555556
211	3.666667	3.666667	5	4	5	4	4.222222
212	5	5	5	5	4.333333	5	4.888889
213	4	4	4	4	4	4	4
214	5	3.333333	5	5	4	4	4.388889
215	3.333333	3.666667	3.666667	4.666667	4	3.333333	3.777778
216	5	4.666667	5	4.666667	4.333333	5	4.777778
217	4	2	3.666667	3.666667	2	2	2.888889
218	4	4	3.666667	3	3	2	3.277778
219	4.333333	3.333333	4	4	4	3	3.777778
220	4	3	3	4	4	3	3.5

APPENDIX 5B CONT……….

221	1	2	1	1.333333	2	2.333333	1.611111
222	1	1	1	2	2	2	1.5
223	2	2.333333	3.666667	3	3	3	2.833333
224	5	4.333333	5	4.666667	5	5	4.833333
225	3.666667	3.333333	3.666667	3.666667	4	4	3.722222
226	4	2	2	2	4	2	2.666667
227	3.666667	4.333333	4	4.666667	4.666667	5	4.388889
228	4.333333	4.333333	3	4	3	4	3.777778
229	4.666667	4.666667	4.666667	4.666667	4.333333	5	4.666667
230	5	4	3.666667	4	4	2	3.777778
231	1	1	1	1	1	1	1
232	4.333333	3.666667	4.333333	4.333333	4.666667	3.666667	4.166667
233	4.666667	4	4	4	4.666667	4	4.222222
234	5	4.666667	4.666667	5	4	3.666667	4.5
235	3.666667	4.333333	5	4.333333	4	3.333333	4.111111
236	4.666667	4.333333	4	4	3.333333	4.333333	4.111111
237	4.666667	4	3.666667	3.666667	4	2.333333	3.722222
238	3.333333	3.666667	4	3.666667	3.333333	4	3.666667
239	5	5	4.333333	2.666667	4.333333	4.333333	4.277778
240	4.333333	4.666667	4.666667	4.666667	5	4.333333	4.611111
241	5	4.666667	5	5	5	4	4.777778
242	5	5	5	3.666667	5	4	4.611111
243	4	5	3.666667	5	4	5	4.444444
244	4.333333	3.333333	3.666667	4.333333	4	4.333333	4
245	5	4.666667	4.666667	4.333333	4	4.333333	4.5
246	4.333333	5	4	5	4.666667	5	4.666667
247	5	5	5	4.666667	4.666667	4	4.722222
248	4	4.333333	4	4.666667	3	4.333333	4.055556
249	5	5	4.333333	5	5	5	4.888889
250	5	4.666667	4.666667	5	4.333333	4.666667	4.722222
251	4.666667	4	4	4	4	4	4.111111
252	4.666667	4.666667	4.333333	4.333333	4.333333	4.666667	4.5
253	4.333333	4.333333	4.666667	4.333333	3.666667	5	4.388889
254	4	4	4	4	4	3.333333	3.888889
255	3.666667	4.666667	4.666667	4.333333	4.333333	4.333333	4.333333
256	4	3.333333	3.333333	2.666667	3	3.666667	3.333333
257	4.666667	2.666667	2.666667	3	3	2.666667	3.111111
258	5	4	5	5	5	5	4.833333
259	4.666667	4.333333	4.666667	3.666667	4.666667	4.333333	4.388889
260	4.333333	4.666667	4.333333	4.666667	5	4.333333	4.555556
261	5	5	5	5	5	5	5
262	4.333333	5	4.333333	4.666667	4.333333	4.333333	4.5
263	4.333333	4.666667	4.666667	5	5	4.666667	4.722222
264	4.333333	5	4	4.666667	4.333333	4.666667	4.5
265	4	4	4.333333	4	4	5	4.222222

APPENDIX 5B CONT……….

266	5	5	4.666667	5	4.333333	4	4.666667
267	4.333333	4.666667	4.666667	5	4.333333	5	4.666667
268	5	5	4	4.333333	4	4	4.388889
269	4.666667	4.333333	4	4.333333	4.333333	5	4.444444
270	4.666667	4.333333	4.333333	4.666667	4.333333	4.666667	4.5
271	5	4.666667	4.666667	4.333333	4.333333	4.666667	4.611111
272	4.333333	4.666667	4.333333	5	5	4.333333	4.611111
273	4	4.666667	4.666667	4.333333	4.666667	4	4.388889
274	4.333333	3.333333	3.333333	2.333333	2.333333	4	3.277778
275	4	4	5	5	5	5	4.666667
276	3.666667	3.333333	3.666667	3.666667	3.666667	4	3.666667
277	5	20.66667	4.333333	4.666667	4	5	7.277778
278	3.333333	4	3.333333	3.666667	3.333333	3.333333	3.5
279	3.333333	3.666667	3.666667	3	3.333333	4	3.5
280	4	3	3.666667	4	4.666667	4	3.888889
281	5	5	5	5	5	5	5
282	4	3.333333	3.666667	4.333333	4	3.666667	3.833333
283	4.666667	4	4	5	4	4.666667	4.388889
284	4.333333	5	4	5	4	5	4.555556
285	4	4.333333	4.666667	5	4.333333	4.666667	4.5
286	3	4	2	4	3	3.333333	3.222222
287	4.333333	4.666667	4.333333	4.666667	4	5	4.5
288	3.333333	2	4	3	2	3.666667	3
289	4.666667	4.666667	4.666667	4.666667	4.666667	5	4.722222
290	3.666667	3.666667	4	4.666667	4	4.666667	4.111111
291	4.666667	4.666667	4.666667	4.666667	4.666667	4.666667	4.666667
292	5	4.333333	4.333333	3.666667	3.666667	4.666667	4.277778
293	4	4	3	2.666667	3	3	3.277778
294	4.666667	4	3.333333	4.666667	5	4	4.277778
295	4	4.666667	4.333333	3.333333	4.333333	4.333333	4.166667
296	3.666667	3.666667	4.666667	3.666667	3.666667	4	3.888889
297	4	5	4	5	4	5	4.5
298	4.666667	3.666667	3.666667	3.666667	3.666667	3.333333	3.777778
299	4.333333	4.333333	4.666667	4.333333	4.666667	4.333333	4.444444
300	4.333333	4.333333	4.333333	4.666667	4.333333	4.666667	4.444444
301	3.333333	4.333333	4	4.333333	4.333333	3.666667	4
302	4.333333	4.333333	4.333333	5	4.333333	4.666667	4.5
303	4	4.333333	3.333333	4	3.333333	4	3.833333
304	5	4.666667	4	4	5	4.666667	4.555556
305	3.666667	3.666667	5	4	5	4	4.222222
306	5	5	5	5	4.333333	5	4.888889
307	4	4	4	4	4	4	4
308	5	3.333333	5	5	4	4	4.388889
309	3.333333	3.666667	3.666667	4.666667	4	3.333333	3.777778
310	5	4.666667	5	4.666667	4.333333	5	4.777778

APPENDIX 5B CONT……….

311	4	2	3.666667	3.666667	2	2	2.888889
312	4	4	3.666667	3	3	2	3.277778
313	4.333333	3.333333	4	4	4	3	3.777778
314	4	3	3	4	4	3	3.5
315	1	2	1	1.333333	2	2.333333	1.611111
316	1	1	1	2	2	2	1.5
317	2	2.333333	3.666667	3	3	3	2.833333
318	5	4.333333	5	4.666667	5	5	4.833333
319	3.666667	3.333333	3.666667	3.666667	4	4	3.722222
320	4	2	2	2	4	2	2.666667
321	3.666667	4.333333	4	4.666667	4.666667	5	4.388889
322	4.333333	4.333333	3	4	3	4	3.777778
323	4.666667	4.666667	4.666667	4.666667	4.333333	5	4.666667
324	5	4	3.666667	4	4	2	3.777778
325	1	1	1	1	1	1	1
326	4.333333	3.666667	4.333333	4.333333	4.666667	3.666667	4.166667
327	4.666667	4	4	4	4.666667	4	4.222222
328	5	4.666667	4.666667	5	4	3.666667	4.5
329	3.666667	4.333333	5	4.333333	4	3.333333	4.111111
330	4.666667	4.333333	4	4	3.333333	4.333333	4.111111
331	4.666667	4	3.666667	3.666667	4	2.333333	3.722222
332	3.333333	3.666667	4	3.666667	3.333333	4	3.666667
333	5	5	4.333333	2.666667	4.333333	4.333333	4.277778
334	4.333333	4.666667	4.666667	4.666667	5	4.333333	4.611111
335	5	4.666667	5	5	5	4	4.777778
336	5	5	5	3.666667	5	4	4.611111
337	4	5	3.666667	5	4	5	4.444444
338	4.333333	3.333333	3.666667	4.333333	4	4.333333	4
339	5	4.666667	4.666667	4.333333	4	4.333333	4.5
340	4.333333	5	4	5	4.666667	5	4.666667
341	5	5	5	4.666667	4.666667	4	4.722222
342	4	4.333333	4	4.666667	3	4.333333	4.055556
343	5	5	4.333333	5	5	5	4.888889
344	5	4.666667	4.666667	5	4.333333	4.666667	4.722222
345	4.666667	4	4	4	4	4	4.111111
346	4.666667	4.666667	4.333333	4.333333	4.333333	4.666667	4.5
347	4.333333	4.333333	4.666667	4.333333	3.666667	5	4.388889
	4	4	4	4	4	3.333333	3.888889

SOURCE: Researcher's compilation

Appendix 6 PROXIES FOR INDEPENDENT VARIABLES

	IARS	IC	AE	AI	CG	WB
PROXIES	EARNING/ PROFIT BEFORE TAX	ASSETS/LIABILITIES	EARNING/investment	EARNING/ASSETS	EARNING/SHAREHOLDERS FUNDS	LIABILITIES/DEPOSITS
PROPENSITY OF COMPANIES TO EACH OF THE RATIOS	The lower this ratio the more the impact of IFRS on organisation's performance.	Asset cover- If low the more concern for internal controls	The lower this ratio the more companies show interest on training of accountants	The more this ratio the less sensitive companies are to audit fees	The less the cover -The less shareholders will comply with code.	The less the cover - the more responsive the banksare to public outcry.

SOURCE: Derived by the researcher (2015)

APPENDIX 6A THE RATIOS - HOW THEY WERE DERIVED

	AVERAGE SCORES FOR THE YEARS (2013 A TYPICAL YEAR)					
	IARS	IC	AE	AI	CG	WB
	EARNING/PROFIT BEFORE TAX	ASSETS/LIABILI	EARNING/invest	EARNING /ASSETS	EARNING /SHH	LIABILITIES/ DEPOSITS
ACCESS	182,889.00	1,835,466.00	182,889.00	182,889.00	182,889.00	1,590,984.00
	31,365.00	1,590,984.00	353,811.00	1,835,466.00	244,482.00	1,331,419.00
Ratio	5.83	1.15	0.52	0.10	0.75	1.19
DIAMOND	168,015.00	1,354,930.00	168,015.00	168,015.00	168,015.00	1,216,627.00
	33,250.00	1,216,627.00	303,621.00	1,354,930.00	138,303.00	1,093,785.00
Ratio	5.05	1.11	0.55	0.12	1.21	1.11
ECOBANK	158,764.00	1,325,315.00	158,764.00	158,764.00	158,764.00	1,171,687.00
	5,227.00	1,171,687.00	306,692.00	1,325,315.00	153,628.00	1,043,213.00
Ratio	30.37	1.13	0.52	0.12	1.03	1.12
FIDELITY	126,918.00	1,081,217.00	126,918.00	126,918.00	126,918.00	917,762.00
	9,028.00	917,762.00	254,909.00	1,081,217.00	163,455.00	806,320.00
	14.06	1.18	0.50	0.12	0.78	1.14
FIRST BANK	323,621.00	3,871,001.00	323,621.00	323,621.00	323,621.00	3,399,224.00
	70,631.00	3,399,224.00	887,155.00	3,871,001.00	471,777.00	2,929,081.00
	4.58	1.14	0.36	0.08	0.69	1.16
FCMB	130,995.00	1,008,280.00	130,995.00	130,995.00	130,995.00	864,573.00
	16,001.00	864,573.00	164,207.00	1,008,280.00	143,707.00	715,214.00
	8.19	1.17	0.80	0.13	0.91	1.21
GURANTY	232,014.00	2,102,846.00	232,014.00	232,014.00	232,014.00	1,770,493.00
	107,091.00	1,770,493.00	487,858.00	2,102,846.00	332,353.00	1,427,493.00
	2.17	1.19	0.48	0.11	0.70	1.24
SKYE	124,985.00	1,116,537.00	124,985.00	124,985.00	124,985.00	996,221.00
	16,023.00	996,221.00	177,347.00	1,116,537.00	120,415.00	823,325.00
	7.80	1.12	0.70	0.11	1.04	1.21
IBTC	111,226.00	763,046.00	111,226.00	111,226.00	111,226.00	665,412.00
	24,617.00	665,412.00	139,304.00	763,046.00	97,634.00	823,325.00
	4.52	1.15	0.80	0.15	1.14	0.81
STERLING	91,629.00	707,797.00	91,629.00	91,629.00	91,629.00	644,339.00
	9,310.00	644,339.00	97,822.00	707,797.00	63,458.00	570,511.00
	9.84	1.10	0.94	0.13	1.44	1.13
UNION	80,764.00	1,066,116.00	80,764.00	80,764.00	80,764.00	871,565.00
	- 122,409.00	871,565.00	181,374.00	1,066,116.00	190,553.00	500,199.00
	-0.66	1.22	0.45	0.08	0.42	1.74
UBA	176,993.00	2,642,296.00	176,993.00	176,993.00	176,993.00	2,407,260.00

Appendix 6A CONT..	56,058.00	2,407,260.00	814,183.00	2,642,296.00	235,036.00	482,706.00
	3.16	1.10	0.22	0.07	0.75	4.99
UNITY	62,827.00	403,629.00	62,827.00	62,827.00	62,827.00	375,417.00
	-33,639.00	375,417.00	244,686.00	403,629.00	28,213.00	303,270.00
	-1.87	1.08	0.26	0.16	2.23	1.24
WEMA	28,542.00	330,872.00	28,542.00	28,542.00	28,542.00	289,477.00
	1,947.00	289,477.00	601.00	330,872.00	41,395.00	217,734.00
	14.66	1.14	47.49	0.09	0.69	1.33
ZENITH	351,470.00	3,143,133.00	351,470.00	351,470.00	351,470.00	2,633,882.00
	106,200.00	2,633,882.00	303,125.00	3,143,133.00	509,251.00	1,276,755.00
	3.31	1.19	1.16	0.11	0.69	2.06

SOURCE: Derived from appendices 23, 24 and 25

APPENDIX 6B THE RATIOS

AVERGE SCORES FOR THE YEARS (2013 TYPICAL)

RATIOS

EARNING/pbt	ASSETS/LIABILI	EARNING/invest	EARNING/ASSETS	EARNING/SHH	LIABILITIES/DEPOSITS	
CS	IC	AE	AI	CG	WB	FFFR
7.40	1.14	3.72	0.11	0.96	1.51	7.00
5.83	1.15	0.52	0.10	0.75	1.19	1.59
5.05	1.11	0.55	0.12	1.21	1.11	1.53
30.37	1.13	0.52	0.12	1.03	1.12	5.72
14.06	1.18	0.50	0.12	0.78	1.14	2.96
4.58	1.14	0.36	0.08	0.69	1.16	1.34
8.19	1.17	0.80	0.13	0.91	1.21	2.07
2.17	1.19	0.48	0.11	0.70	1.24	0.98
7.80	1.12	0.70	0.11	1.04	1.21	2.00
4.52	1.15	0.80	0.15	1.14	0.81	1.43
9.84	1.10	0.94	0.13	1.44	1.13	2.43
-0.66	1.22	0.45	0.08	0.42	1.74	0.54
3.16	1.10	0.22	0.07	0.75	4.99	1.71
-1.87	1.08	0.26	0.16	2.23	1.24	0.51
14.66	1.14	47.49	0.09	0.69	1.33	10.90
3.31	1.19	1.16	0.11	0.69	2.06	1.42

SOURCE: Derived from Appendix 6A above

Appendix 7 PRELIMINARY TESTS AND RETEST

Hypothesis 1

test on : there is no significant relationship b/w IFRS AND FFFR

Rate International Accounting Standards as measures that ensure the following.

Full disclosure of assets and liabilities of an entity

Check falsification, alteration, or manipulation of financial records

Ensure that there is no misrepresentations of events and transactions in an entity

Check misapplication of accounting principles, policies, and procedures used to measure, recognize, report, and disclose economic events

Ensure full disclosures regarding accounting principles and policies and related finances

Ensure no fabrication of revenue

Ensure that no recording of expenses in the wrong period

Ensure that expense are not omitted

No improper asset valuations

(Appendix 7 cont..)

	No Management fraud										
IFRS											
		DIS	FA	ME	MAP	FDIS P P	FR	EWP	ENO	IV	MF	
		4	3	2	1	5	2	1	3	3	4	2.8
		5	1	4	3	4	4	4	2	4	5	3.6
		2	4	3	3	4	3	1	1	1	1	2.3
		3	4	5	5	5	5	4	2	2	2	3.7
		4	2	3	3	4	3	3	3	3	3	3.1
FFFR												
		3	3	2	1	5	2	1	3	3	4	2.7
		5	1	2	3	1	2	2	2	2	3	2.3
		1	1	3	1	1	3	1	1	1	4	1.7
		3	1	5	1	5	2	4	2	2	5	3
		2	2	3	3	4	3	3	3	3	5	3.1
	T test	2.8	2.7									
		3.6	2.3									
		2.3	1.7									
		3.7	3									
		3.1	3.1									
	t test	0.081943										
	tinv (table value)	2.131847										

Source: Researcher’s field survey (2014)

Appendix 8 HYPOTHESIS Test run

	CS			CG			IC			AI		
	AAP	DIS	VAL	AAP	DIS	VAL	AAP	DIS	VAL	AAP	DIS	VAL
BANK												
	5	5	5	3	3	3	5	4	5	3	4	
	4	3	5	4	3	4	5	4	5	3	3	
	4	3	5	4	3	4	4	5	2	3	3	
	4	3	5	3	4	3	3	5	3	3	3	
	5	3	3	2	4	3	5	4	3	2	3	
	4	3	3	3	4	4	5	4	4	3	3	
	5	4	4	5	4	4	5	3	4	3	3	
	3	4	5	3	3	4	5	3	4	2	3	
	5	4	5	3	3	3	5	3	3	2	3	
	3	3	4	2	2	3	5	4	3	2	3	
	4.2	3.5	4.4	3.2	3.3	3.5	4.7	3.9	3.6	2.6	3.1	
PUBLIC												
	4	4	3	5	5	4	5	3	4	2	3	
	5	5	5	5	3	3	5	3	4	4	4	
	4	3	5	4	3	4	4	4	3	2	3	
	4	3	5	3	5	3	3	3	5	4	5	
	4	3	5	3	4	3	4	3	5	4	3	
	4	4	5	4	4	3	5	4	5	2	2	
	3	3	5	4	3	3	4	4	5	4	3	

(Appendix 8 cont..)

5	3	3	4	5	3	5	3	5	4	3
3	4	3	5	4	4	5	4	5	3	3
4	4	3	5	4	3	5	5	5	3	4
4	3.6	4.2	4.2	4	3.3	4.5	3.6	4.6	3.2	3.3

BANK COMPOSITE DATA

	CS	CG	IC	AI	AE	WB
AAP	4.2	3.2	4.7	2.6	2.9	3.6
DIS	3.5	3.3	3.9	3.1	4.4	3.7
VALU	4.4	3.5	3.6	2.7	3.7	4.3

PUBLIC SECTOR COMPOSITE DATQ

	CS	CG	IC	AI	AE	WB
AAP	4	4.2	4.5	3.2	3	4.3
DIS	3.6	4	3.6	3.3	3.4	4.2
VALU	4.2	3.3	4.6	3.2	2.7	4.4

COMPOSITE POOLED DATA	CS	CG	IC	AI	AE	WB	FFFR
FFFR	3.98	3.58	4.15	3.02	3.35	4.08	5
AAP	4.1	3.7	4.6	2.9	2.95	3.95	3

(Appendix 8 cont..)

DIS	3.55	3.65	3.75	3.2	3.9	3.95	3
VALU	4.3	3.4	4.1	2.95	3.2	4.35	3
COEFF	0	0.399820305	0	0.294249775	0	0.235849057	0
SE	0	1.551831799	0	3.440954275	0	3.722818656	#N/A
R2	0.942307692	1.732050808					#N/A
F	5.444444444	1					#N/A
SS	49	3					#N/A

Source: Researcher’s field survey (2014)

Appendix 9 RELIABILITY OF RESEARCH INSTRUMENTS

Test on first 16 respondents.

IARS										
RESPONDENTS	DIS	FA	ME	MAP	FDIS P P	FR	EWP	ENO	IV	MF
1	5	4	4	4	5	4	4	5	4	4
2	4	3	5	4	4	3	3	3	3	2
3	5	5	5	4	5	4	4	4	4	4
4	4	4	3	3	5	5	4	5	4	5
5	5	4	5	5	5	4	4	4	3	2
6	5	4	4	4	4	3	3	4	5	4
7	5	4	4	4	4	5	5	4	4	2
8	4	3	4	5	4	4	4	5	4	5
9	5	5	5	5	5	4	4	5	5	2
10	4	5	5	5	4	4	5	4	5	3
11	4	4	3	4	3	4	4	4	4	4
12	5	5	5	4	5	5	5	5	4	3
13	4	5	5	3	4	5	4	4	4	3
14	4	3	3	4	4	3	4	4	3	3
15	4	5	4	4	5	5	4	5	5	4
16	4	4	4	4	3	4	4	4	3	3

Source: Researcher's Survey (2014)

Appendix 10 CORRELATION COEFFICIENT MATRIX OF THE VARIABLES UNDER EXAMINATION

	DIS	*FA*	*ME*	*MAP*	*FDIS P P*	*FR*	*EWP*	*ENO*	*IV*	*MF*
DIS	1									
FA	0.29277	1								
ME	0.37796	0.488	1							
MAP	0.23643	-0.05	0.3475	1						
FDIS P P	0.51972	0.387	0.3361	0.0573	1					
FR	0.02263	0.572	0.0599	-0.337	0.3128	1				
EWP	0.12757	0.436	0.1125	0.1642	0.1135	0.626422	1			
ENO	0.1756	0.305	-0.1787	0.0671	0.5405	0.519904	0.32568	1		
IV	0.17817	0.609	0.1179	0.1474	0.2593	0.254	0.159111	0.455	1	
MF	-0.28058	-0.08	-0.5302	-0.279	0.0408	0.125708	-0.15033	0.484	0.27	1

SOURCE:Microsoft excel (2010) toolpak Analysis

As noted earlier in chapter three, the ability of some indicators to have low correlation with indicators of dissimilar concepts (discriminant validity) indicates that there is no multicollinearity problem amongst the variables. From the correlation coefficients in the table above none of the variables is up to 0.90, therefore they are not highly correlated. Furthermore, they all converged into the main construct thereby confirming the internal consistency and reliability of the questionnaire (Zaiontz, 2014). The Cronbach Alpha test below also supports the conclusion.

Appendix 11 CRONBACH ALPHA TEST ON THE VARIABLES UNDER EXAMINATION

ANOVA

Source of Variation	*SS*	*Df*	*MS*	*F*	*P-value*	*F crit*
Rows	19.04861	15	1.269907	2.867747	0.000715	1.750497
Columns	11.97222	8	1.496528	3.379509	0.001568	2.016426
Error	53.13889	120	0.442824			
Total	84.15972	143				

Cronbach Alpha	1-(MSerror/MSrow)	0.651294

SOURCE: Microsoft Excel (2010) Toolpak Analysis

The Cronbach Alpha of .65 is acceptable (Zaiontz, 2014

Appendix 12 RETEST

TEST ON HYPOTHESIS 6

	CS			CG			IC			AI			AE			WB	
	AAP	DIS	VAL	AAP	DIS	VAL	AAP	DIS	VAL	AAP	DIS	VAL	AAP	DIS	VAL	AAP	D
BANK																	
	5	5	5	3	3	3	5	4	5	3	4	3	3	5	3	4	
	4	3	5	4	3	4	5	4	5	3	3	3	3	5	4	4	
	4	3	5	4	3	4	4	5	2	3	3	3	3	5	4	4	
	4	3	5	3	4	3	3	5	3	3	3	3	3	3	3	4	
	5	3	5	2	4	3	5	4	3	2	3	3	5	2	3	3	
	4	3	3	3	4	4	5	4	4	3	3	3	5	5	4	5	
	5	4	4	5	4	4	5	3	4	3	3	3	3	5	4	3	
	3	4	5	3	3	4	5	3	4	2	3	2	3	5	4	3	
	5	4	5	3	3	3	5	3	3	2	3	2	3	5	4	3	
	3	3	4	2	2	3	5	4	3	2	3	2	3	4	4	3	
	4.2	3.5	4.6	3.2	3.3	3.5	4.7	3.9	3.6	2.6	3.1	2.7	3.4	4.4	3.7	3.6	
PUBLIC																	
	4	4	3	5	5	4	5	3	4	2	3	3	2	4	4	5	
	5	5	5	5	3	3	5	3	4	4	4	4	3	4	3	5	
	4	3	5	4	3	4	4	4	3	2	3	3	2	4	2	4	
	4	3	5	3	5	3	3	3	5	4	5	4	3	4	2	4	
	4	3	5	3	4	3	4	3	5	4	3	2	2	3	2	4	
	4	4	5	4	4	3	5	4	5	2	2	3	3	2	3	5	

(Appendix 12 cont..)

3	3	3	4	3	3	4	4	5	4	3	3	3	4	3	4
5	3	5	4	5	3	5	3	5	4	3	3	4	3	2	4
3	4	5	5	4	4	5	4	5	3	3	3	4	3	3	3
4	4	5	5	4	3	5	5	5	3	4	4	4	3	3	5
4	3.6	4.6	4.2	4	3.3	4.5	3.6	4.6	3.2	3.3	3.2	3	3.4	2.7	4.3

BANK COMPOSITE DATA

	CS	CG	IC	AI	AE	WB
AAP	4.2	3.2	4.7	2.6	3.4	3.6
DIS	3.5	3.3	3.9	3.1	4.4	3.7
VALU	4.6	3.5	3.6	2.7	3.7	4.3

PUBLIC SECTOR COMPOSITE DATQ

	CS	CG	IC	AI	AE	WB
AAP	4	4.2	4.5	3.2	3	4.3
DIS	3.6	4	3.6	3.3	3.4	4.2
VALU	4.6	3.3	4.6	3.2	2.7	4.4

(Appendix 12 cont..)

COMPOSITE POOLED DATA		CS	CG	IC	AI	AE	WB	FFFR
	FFFR	4.08	3.58	4.15	3.02	3.43	4.08	5
	AAP	4.1	3.7	4.6	2.9	3.2	3.95	3
	DIS	3.55	3.65	3.75	3.2	3.9	3.95	3
	VALU	4.6	3.4	4.1	2.95	3.2	4.35	3
COEFF		0	0.464	0	0.232	0	0.23179	0
SE		0	1.705	0	2.688	0	2.40281	
R2		0.94230769	1.732					
F		5.44444444	1					
SS		49	3					

Source:Researcher’sfield survey (2014)

Appendix 13 ISA 240

FRAUD RISK FACTORS

The fraud risk factors identified in this Appendix are examples of such factors typically faced by auditors in a broad range of situations. Separately presented are examples relating to the two types of fraud relevant to the auditor's consideration—that is, fraudulent financial reporting and misappropriation of assets. For each of these types of fraud, the risk factors are further classified based on the three conditions generally present when material misstatements due to fraud occur: (*a*) incentives/pressures, (*b*) opportunities, and (*c*) attitudes/rationalizations. Although the risk factors cover a broad range of situations, they are only examples and, accordingly, the auditor may identify additional or different risk factors. Not all of these examples are relevant in all circumstances, and some may be of greater or lesser significance in entities of different size or with different ownership characteristics or circumstances. Also, the order of the examples of risk factors provided is not intended to reflect their relative importance or frequency of occurrence.

Risk Factors Relating to Misstatements Arising from Fraudulent Financial Reporting

The following are examples of risk factors relating to misstatements arising from fraudulent financial reporting.

Incentives/Pressures

1. Financial stability or profitability is threatened by economic, industry, or entity operating conditions, such as (or as indicated by):

· High degree of competition or market saturation, accompanied by declining margins.

· High vulnerability to rapid changes, such as changes in technology, product obsolescence, or interest rates.

· Significant declines in customer demand and increasing business failures in either the industry or overall economy.

· Operating losses making the threat of bankruptcy, foreclosure, or hostile takeover imminent.

· Recurring negative cash flows from operations or an inability to generate cash flows from operations while reporting earnings and earnings growth.

· Rapid growth or unusual profitability especially compared to that of other companies in

the same industry.
· New accounting, statutory, or regulatory requirements.
2. Excessive pressure exists for management to meet the requirements or expectations of third
parties due to the following:
· Profitability or trend level expectations of investment analysts, institutional investors, significant creditors, or other external parties (particularly expectations that are unduly aggressive or unrealistic), including expectations created by management in, for example,
overly optimistic press releases or annual report messages.
APPENDIX 13 CONT.. · Need to obtain additional debt or equity financing to stay competitive – including
financing of major research and development or capital expenditures.
THE AUDITOR'S RESPONSIBILITY TO CONSIDER FRAUD
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· Marginal ability to meet exchange listing requirements or debt repayment or other debt
covenant requirements.
· Perceived or real adverse effects of reporting poor financial results on significant pending
transactions, such as business combinations or contract awards.
3. Information available indicates that the personal financial situation of management or those
charged with governance is threatened by the entity's financial performance arising from the
following:
· Significant financial interests in the entity.
· Significant portions of their compensation (for example, bonuses, stock options, and earnout
arrangements) being contingent upon achieving aggressive targets for stock price, operating results, financial position, or cash flow.[8]
· Personal guarantees of debts of the entity.
4. There is excessive pressure on management or operating personnel to meet financial targets
established by those charged with governance, including sales or profitability incentive goals.
Opportunities
1. The nature of the industry or the entity's operations provides opportunities to engage in
fraudulent financial reporting that can arise from the following:
· Significant related-party transactions not in the ordinary course of business or with related entities not audited or audited by another firm.
· A strong financial presence or ability to dominate a certain industry sector that allows the
entity to dictate terms or conditions to suppliers or customers that may result in

inappropriate or non-arm's-length transactions.
· Assets, liabilities, revenues, or expenses based on significant estimates that involve subjective judgments or uncertainties that are difficult to corroborate.
· Significant, unusual, or highly complex transactions, especially those close to period end
that pose difficult "substance over form" questions.
· Significant operations located or conducted across international borders in jurisdictions
where differing business environments and cultures exist.
· Use of business intermediaries for which there appears to be no clear business justification.
· Significant bank accounts or subsidiary or branch operations in tax-haven jurisdictions for
which there appears to be no clear business justification.
2. There is ineffective monitoring of management as a result of the following:
· Domination of management by a single person or small group (in a nonowner-managed
business) without compensating controls.

[8] Management incentive plans may be contingent upon achieving targets relating only to certain accounts or selected
activities of the entity, even though the related accounts or activities may not be material to the entity as a whole.

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· Ineffective oversight by those charged with governance over the financial reporting process and internal control.
APPENDIX 13 CONT… 3. There is a complex or unstable organizational structure, as evidenced by the following:
· Difficulty in determining the organization or individuals that have controlling interest in the entity.
· Overly complex organizational structure involving unusual legal entities or managerial lines of authority.
· High turnover of senior management, legal counsel, or those charged with governance.
4. Internal control components are deficient as a result of the following:
· Inadequate monitoring of controls, including automated controls and controls over interim financial reporting (where external reporting is required).
· High turnover rates or employment of ineffective accounting, internal audit, or information technology staff.
· Ineffective accounting and information systems, including situations involving material weaknesses in internal control.

Attitudes/Rationalizations

· Ineffective communication, implementation, support, or enforcement of the entity's values or ethical standards by management or the communication of inappropriate values
or ethical standards.

· Nonfinancial management’s excessive participation in or preoccupation with the selection
of accounting principles or the determination of significant estimates.
· Known history of violations of securities laws or other laws and regulations, or claims against the entity, its senior management, or those charged with governance alleging fraud or violations of laws and regulations.
· Excessive interest by management in maintaining or increasing the entity’s stock price or
earnings trend.
· A practice by management of committing to analysts, creditors, and other third parties to
achieve aggressive or unrealistic forecasts.
· Management failing to correct known material weaknesses in internal control on a timely
basis.
· An interest by management in employing inappropriate means to minimize reported earnings for tax-motivated reasons.
· Low morale among senior management.
· The owner-manager makes no distinction between personal and business transactions.
· Recurring attempts by management to justify marginal or inappropriate accounting on the
basis of materiality.

· The relationship between management and the current or predecessor auditor is strained,
as exhibited by the following:
- Frequent disputes with the current or predecessor auditor on accounting, auditing, or reporting matters.
- Unreasonable demands on the auditor, such as unreasonable time constraints regarding the completion of the audit or the issuance of the auditor’s report.
- Formal or informal restrictions on the auditor that inappropriately limit access to people or information or the ability to communicate effectively with those charged with governance.

APPENDIX 13 CONT… - Domineering management behavior in dealing with the auditor, especially involving
attempts to influence the scope of the auditor’s work or the selection or continuance of personnel assigned to or consulted on the audit engagement.

Risk Factors Arising from Misstatements Arising from Misappropriation of Assets

Risk factors that relate to misstatements arising from misappropriation of assets are also classified
according to the three conditions generally present when fraud exists: incentives/pressures,

opportunities, and attitudes/rationalization. Some of the risk factors related to misstatements arising from fraudulent financial reporting also may be present when misstatements arising from misappropriation of assets occur. For example, ineffective monitoring of management and weaknesses in internal control may be present when misstatements due to either fraudulent financial reporting or misappropriation of assets exist. The following are examples of risk factors related to misstatements arising from misappropriation of assets.

Incentives/Pressures

1. Personal financial obligations may create pressure on management or employees with access to cash or other assets susceptible to theft to misappropriate those assets.
2. Adverse relationships between the entity and employees with access to cash or other assets susceptible to theft may motivate those employees to misappropriate those assets. For example, adverse relationships may be created by the following:

· Known or anticipated future employee layoffs.
· Recent or anticipated changes to employee compensation or benefit plans.
· Promotions, compensation, or other rewards inconsistent with expectations.

Opportunities

1. Certain characteristics or circumstances may increase the susceptibility of assets to misappropriation. For example, opportunities to misappropriate assets increase when there are the following:

· Large amounts of cash on hand or processed.
· Inventory items that are small in size, of high value, or in high demand.
· Easily convertible assets, such as bearer bonds, diamonds, or computer chips.

· Fixed assets which are small in size, marketable, or lacking observable identification of ownership.

2. Inadequate internal control over assets may increase the susceptibility of misappropriation of those assets. For example, misappropriation of assets may occur because there is the following:

· Inadequate segregation of duties or independent checks.
· Inadequate management oversight of employees responsible for assets, for example, inadequate supervision or monitoring of remote locations.
· Inadequate job applicant screening of employees with access to assets.
· Inadequate recordkeeping with respect to assets.

· Inadequate system of authorization and approval of transactions (for example, in
APPENDIX 13 CONT…purchasing).
· Inadequate physical safeguards over cash, investments, inventory, or fixed assets.
· Lack of complete and timely reconciliations of assets.
· Lack of timely and appropriate documentation of transactions, for example, credits for merchandise returns.
· Lack of mandatory vacations for employees performing key control functions.
· Inadequate management understanding of information technology, which enables information technology employees to perpetrate a misappropriation.
· Inadequate access controls over automated records, including controls over and review of
computer systems event logs.

Attitudes/Rationalizations

· Disregard for the need for monitoring or reducing risks related to misappropriations of assets.
· Disregard for internal control over misappropriation of assets by overriding existing controls or by failing to correct known internal control deficiencies.
· Behavior indicating displeasure or dissatisfaction with the entity or its treatment of the employee.
· Changes in behavior or lifestyle that may indicate assets have been

Source: ISA 240 IFAC PUBLICATION

Appendix 14 INTERNATIONAL FINANCIAL REPORTING STANDARDS

The following IFRS statements are currently issued:

IFRS 1 First time Adoption of International Financial Reporting Standards

IFRS 2Share-based Payment

IFRS 3Business Combinations

IFRS 4 Insurance Contracts

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

IFRS 6 Exploration for and Evaluation of Mineral Resources

IFRS 7 Financial Instruments: Disclosures

IFRS 8 Operating Segments

IFRS 9 Financial Instruments

IFRS 10 Consolidated Financial Statements

IFRS 11 Joint Arrangements

IFRS 12 Disclosure of Interests in Other Entities

IFRS 13 Fair Value Measurement

IAS 1: Presentation of Financial Statements.

IAS 2: Inventories

IAS 3: Consolidated Financial Statements Originally issued 1976, effective 1 Jan 1977. Superseded in 1989 by IAS 27 and IAS 28

IAS 4: Depreciation Accounting Withdrawn in 1999, replaced by IAS 16, 22, and 38, all of which were issued or revised in 1998

IAS 5: Information to Be Disclosed in Financial Statements Originally issued October 1976, effective 1 January 1997. Superseded by IAS 1 in 1997

IAS 6: Accounting Responses to Changing PricesSuperseded by IAS 15, which was withdrawn December 2003

IAS 7: Cash Flow Statements

IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors

IAS 9: Accounting for Research and Development Activities – Superseded by IAS 38 effective 1.7.99

IAS 10: Events After the Balance Sheet Date

IAS 11: Construction Contracts

IAS 12: Income Taxes

IAS 13: Presentation of Current Assets and Current Liabilities – Superseded by IAS 1.

IAS 14: Segment Reporting (superseded by IFRS 8 on 1 January 2008)

IAS 15: Information Reflecting the Effects of Changing Prices – Withdrawn December 2003

IAS 16: Property, Plant and Equipment

IAS 17: Leases

IAS 18: Revenue

IAS 19: Employee Benefits

IAS 20: Accounting for Government Grants and Disclosure of Government Assistance

IAS 21: The Effects of Changes in Foreign Exchange Rates

IAS 22:Business Combinations – Superseded by IFRS 3 effective 31 March 2004

IAS 23: Borrowing Costs

IAS 24: Related Party Disclosures

IAS 25: Accounting for Investments – Superseded by IAS 39 and IAS 40 effective 2001

IAS 26: Accounting and Reporting by Retirement Benefit Plans

IAS 27: Consolidated Financial Statements

IAS 28: Investments in Associates

IAS 29: Financial Reporting in Hyperinflationary Economies

IAS 30: Disclosures in the Financial Statements of Banks and Similar Financial Institutions – Superseded by IFRS 7 effective 2007

IAS 31: Interests in Joint Ventures

IAS 32: Financial Instruments: Presentation (Financial instruments disclosures are in IFRS 7 Financial Instruments: Disclosures, and no longer in IAS 32)

IAS 33: Earnings Per Share

IAS 34: Interim Financial Reporting

IAS 35: Discontinuing Operations – Superseded by IFRS 5 effective 2005

IAS 36: Impairment of Assets

IAS 37: Provisions, Contingent Liabilities and Contingent Assets

IAS 38: Intangible Assets

IAS 39: Financial Instruments: Recognition and Measurement

IAS 40: Investment Property

IAS 41: Agriculture

SOURCE: IFAC'S WEBSITE **WWW.ifac.org/public** sector retrieved 12/10/2011

Appendix 15 STATEMENT OF ACCOUNTING STANDARDS

SAS	DESCRIPTION
1	Disclosure of accounting policies
2	Information to be disclosed in financial statements
3	Accounting for property plant and equipment
4	Stock
5	Construction contracts
6	Extraordinary items and prior year adjustments
7	Foreign currency conversions and translations
8	Accounting for employees retirement benefits
9	Accounting for depreciation
10	Accounting by banks and non-bank financial institution part 1
11	Leases
12	Accounting for deferred taxes
13	Accounting for investment
14	Accounting in the petroleum industry: Upstream activities
15	Accounting by banks and non-bank financial institution part 2
16	Accounting for insurance business
17	Accounting in the petroleum industry: Downstream activities
18	Statement of cashflow

SOURCE: The Institute of Chartered Accountants of Nigeria, Membership handbook.

Appendix 16 INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS TO DATE

Accrual Basis Standards

IPSAS 1, Presentation of Financial Statements, sets out the overall considerations for the presentation of financial statements, guidance for the structure of those statements and minimum requirements for their content under the accrual basis of accounting.

IPSAS 2, Cash Flow Statements, requires the provision of information about the changes in cash and cash equivalents during the period from operating, investing and financing activities.

IPSAS 3, Net Surplus or Deficit for the Period, Fundamental Errors and Changes in Accounting Policies, specifies the accounting treatment for changes in accounting estimates, changes in accounting policies and the correction of fundamental errors, defines extraordinary items and requires the separate disclosure of certain items in the financial statements.

IPSAS 4, The Effects of Changes in Foreign Exchange Rates, deals with accounting for foreign currency transactions and foreign operations. IPSAS 4 sets out the requirements for determining which exchange rate to use for the recognition of certain transactions and balances and how to recognize in the financial statements the financial effect of changes in exchange rates.

IPSAS 5, Borrowing Costs, prescribes the accounting treatment for borrowing costs and requires either the immediate expensing of borrowing costs or, as an allowed alternative treatment, the capitalization of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

IPSAS 6, Consolidated Financial Statements and Accounting for

APPENDIX 16 CONT…Controlled Entities, requires all controlling entities to prepare consolidated financial statements which consolidate all controlled entities on a line by line basis. The Standard also contains a detailed discussion of the concept of control as it applies in the public sector and guidance on determining whether control exists for financial reporting purposes.

IPSAS 7, Accounting for Investments in Associates, requires all investments in associate to be accounted for in the consolidated financial statements using the equity method of accounting, except when the investment is acquired and held exclusively with a view to its disposal in the near future in which case the cost method is required.

IPSAS 8, Financial Reporting of Interests in Joint Ventures, requires proportionate consolidation to be adopted as the benchmark treatment for accounting for such joint venturers entered into by public sector entities. However, IPSAS 8 also permits - as an allowed alternative - joint ventures to be accounted for using the equity method of accounting.

IPSAS 9, Revenue from Exchange Transactions, establishes requirements for the accounting treatment of revenue from exchange transactions. Non-exchange revenue, such as taxation, is not addressed in this standard. Non-exchange revenue is to be dealt with as a separate project.

IPSAS 10, Financial Reporting in Hyperinflationary Economies, describes characteristics of an economy that indicate whether it is experiencing a period of hyperinflation and provides guidance on restating the financial statements in a hyperinflationary environment to ensure useful information is provided.

IPSAS 11, Construction Contracts, deals with both commercial and non-commercial contracts and provides guidance on the allocation of contract costs and, where applicable, contract revenue to the reporting periods in which construction work is performed.

IPSAS 12, Inventories, establishes the accounting treatment of inventories

APPENDIX 16 CONT…held by public sector entities and deals with inventories held for sale in an exchange transaction and certain inventories held for distribution at no or nominal charge. The IPSAS excludes from its scope work-in progress of services to be provided at no or nominal charge from recipients because they are not dealt with by IAS 2 Inventories and because they involve public sector specific issues which require further consideration.

IPSAS 13, Leases. This IPSAS is based on IAS 17 Leases. The IPSAS establishes requirements for financial reporting of leases and sale and leaseback transactions by public sector entities, whether as lessee or lessor. The PSC decided that because the IPSAS on Leases and the proposed IPSAS on Property, Plant and

Equipment are closely related, it was preferable that the two IPSASs be released at the same time. Accordingly, the release of this IPSAS has been deferred to later in 2001. (See the section on Work in Progress below for a report on progress on the IPSAS on Property, Plant and Equipment.)

IPSAS 14, Events After the Reporting Date. The IPSAS is based on IAS 10, Events After the Balance Sheet Date (revised 1999) but has been amended where necessary to reflect the public sector operating environment. The Standard establishes criteria for deciding whether the financial statements should be adjusted for an event occurring after the reporting date. It distinguishes between adjustable events (those that provide evidence of conditions that existed at the reporting date) and non-adjustable events (those that are indicative of conditions that arose after the reporting date.

PSAS 15, Financial Instruments: Disclosure and Presentation. The IPSAS is based on IAS 32, Financial Instruments: Disclosure and Presentation (Revised 1998). The Standard includes requirements for disclosures about both on-balance sheet and off-balance sheet (statement of financial position) instruments, and the classification of financial instruments as financial assets, liabilities or equity. Some respondents noted that the

APPENDIX 16 CONT…IPSAS would have only limited application for public sector entities which did not hold financial assets, liabilities or equity. The PSC has included as an appendix to the IPSAS a guide to assist entities in identifying the requirements of the Standard that will apply to them.

IPSAS 16, Investment Property. IPSAS 16 Investment Property is based on IAS 40, Investment Property (issued 2000) and provides guidance on identifying investment properties in the public sector. The Standard:

requires that investment property initially be recognised at cost and explains that where an asset is acquired at no or nominal cost, its cost is its fair value as at the date it is first recognized in the financial statements;

requires that subsequent to initial recognition investment property be measured consistent with either the fair value model or the cost model; and

includes transitional provisions for the initial adoption of the IPSAS.

IPSAS 17, Property, Plant and Equipment. IPSAS 17 Property, Plant and Equipment, establishes the accounting treatment for property, plant and equipment, including the basis

and timing of their initial recognition, and the determination of their ongoing carrying amounts and related depreciation. It does not require or prohibit the recognition of heritage assets.

IPSAS 18, Segment Reporting. Establishes principles for reporting financial information about distinguishable activities of a government or other public sector entity appropriate for evaluating the entity's past performance in achieving its objectives and for making decisions about the future allocation of resources.

IPSAS 19, Provisions, Contingent Liabilities and Contingent Assets. This Standard defines provisions, contingent liabilities and contingent assets; and identifies the circumstances in which provisions should be recognized, how they should be measured and the disclosures that should be made

APPENDIX 16 CONT…them. The Standard also requires that certain information be disclosed about contingent liabilities and contingent assets in the notes to the financial statements to enable users to understand their nature, timing, and amount.

IPSAS 20, Related Party Disclosures. IPSAS 20 requires the disclosure of the existence of related party relationships where control exists and the disclosure of information about transactions between the entity and its related parties in certain circumstances. This information is required for accountability purposes and to facilitate a better understanding of the financial position and performance of the reporting entity. The principal issues in disclosing information about related parties are identifying which parties control or significantly influence the reporting entity and determining what information should be disclosed about transactions with those parties.

IPSAS 21, Impairment of Non-Cash-Generating Assets IPSAS 20 prescribes the procedures that an entity applies to determine whether a non-cash-generating asset is impaired and to ensure that impairment losses are recognized. The standard also specifies when an entity would reverse an impairment loss and prescribes disclosures.

IPSAS 22, Disclosure of Financial Information about the General Government Sector IPSAS 22 establishes requirements for

governments that choose to disclose information about the general government sector and that prepare their financial statements under the accrual basis of accounting.

IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers). IPSAS 23 addresses:

Recognition and measurement of revenue from taxes

Recognition of revenue from transfers, which include grants from other governments and international organizations, gifts and donations

APPENDIX 16 CONT… How conditions and restrictions on the use of transferred resources are to be reflected in the financial statements

IPSAS 24, Presentation of Budget Information in Financial Statements. IPSAS 24 applies to entities that adopt the accrual basis of financial reporting. It identifies disclosures to be made by governments and other public sector entities that make their approved budgets publicly available. Also, it requires public sector entities to include a comparison of budget and actual amounts in the financial reports and an explanation of any material differences between budget and actual amounts.

IPSAS 25 Employee Benefits. IPSAS 25 sets out the reporting requirements for the four categories of employee benefits dealt with in the IASB's IAS 19 Employee Benefits. These are short-term employee benefits, such as wages and social security contributions; post-employment benefits, including pensions and other retirement benefits; other long-term employee benefits; and termination benefits. The new IPSAS also deals with specific issues for the public sector, including the discount rate related to post-employment benefits, treatment of post-employment benefits provided through composite social security programs, and long-term disability benefits. IPSAS 25 is effective for reporting periods beginning on or after 1 January 2011.

IPSAS 26 Impairment of Cash-Generating Assets. Some public sector entities (other than government business enterprises, which would already be using full IFRSs) may operate assets with the main purpose of generating a commercial return (rather than providing a public service). IPSAS 26, which is based on IAS 36 Impairment of Assets, applies to such assets. It sets out the procedures for a public sector entity to determine whether a cash-generating asset has lost future economic benefit or service potential and to ensure that impairment losses are recognised in its financial reports. Non cash-generating assets, those used primarily for service delivery, are addressed separately in IPSAS 21 Impairment of Non-Cash-Generating Assets. IPSAS 26 is effective for reporting periods

APPENDIX 16 CONT… beginning on or after 1 April 2009.

IPSAS 27 Agriculture. IPSAS 27 prescribes the accounting treatment and disclosures related to agricultural activity, a matter not covered in other standards. Agricultural activity is the management by an entity of the biological transformation of living animals or plants (biological assets) for sale, or for distribution at no charge or for a nominal charge or for conversion into agricultural produce or into additional biological assets. IPSAS 27 is primarily drawn from the IASB's IAS 41 Agriculture, with limited changes dealing with public sector-specific issues. For example, IPSAS 27 addresses biological assets held for transfer or distribution at no charge or for a nominal charge to other public sector bodies or to not-for-profit organizations. IPSAS 27 also includes disclosure requirements that are aimed at enhancing consistency with the statistical basis of accounting that governs the Government Finance Statistics Manual. IPSAS 27 is effective for annual financial statements covering periods beginning on or after 1 April 2011, with earlier application encouraged.

IPSAS 28 Financial Instruments: Presentation. IPSAS 28 draws primarily on IAS 32 and establishes principles for presenting financial instruments as liabilities or equity, and for offsetting financial assets and financial liabilities.

IPSAS 29 Financial Instruments: Recognition and Measurement. IPSAS 29 draws primarily on IAS 39, establishing principles for recognising and measuring financial assets, financial liabilities, and some contracts to buy or sell non-financial items.

IPSAS 30 Financial Instruments: Disclosures. IPSAS 30 draws on IFRS 7 and requires disclosures for the types of loans described in IPSAS 29. It enables users to evaluate: the significance of the financial instruments in the entity's financial position and performance; the nature and extent of risks arising from financial instruments to which the entity is exposed; and how those risks are managed.

IPSAS 31 Intangible Assets. IPSAS 31 covers the accounting for and

APPENDIX 16 CONT.disclosure of intangible assets. It is primarily drawn from IAS 38 Intangible Assets. It also contains extracts from the SIC

32 Intangible Assets-Web Site Costs, adding application guidance and illustrations that have not yet been incorporated into the IAS. At this point, IPSAS 31 does not deal with uniquely public sector issues, such as powers and rights conferred by legislation, a constitution, or by equivalent means; the IPSASB will reconsider the applicability of the standard to these powers and rights in the context of its conceptual framework project, which is currently in progress.

Cash Basis Standards

Financial Reporting Under the Cash Basis of Accounting. (Unnumbered, January 2003). It establishes requirements for the preparation and presentation of a statement of cash receipts and payments and supporting accounting policy notes. It also includes encouraged disclosures that enhance the cash basis report.

SOURCE: Deliotte (2009)and IFAC publication

Appendix 17 ICAN MEMBERS BY CATEGORIES

CATEGORY	FELLOW	ASSOCIATE	TOTAL
Members with practicing licence	3,874	2,401	6,275
Members without practicing licence	4,879	27,932	32,811
Registered Accountants			21
TOTAL	8,753	30,333	39,107

Source:ICAN 2014Annual report.

Appendix 18 CIBN MEMBERS BYCATEGORIES

S/N	Membership Category	Active Members	Dormant Members	Total
	Fellows	714	175	889
	Honorary Fellows	54	10	64
	Honorary Senior Members	1,097	-	1,097
	Associates	3,646	1,378	5,024
	Microfinance Certified Bankers	2,099	-	2,099
	Students	64,704	32,744	97,448
	Ordinary	5,115	1,398	6,513
	Total	77,429	35,705	113, 134

Source: CIBN 2014 annual returns.

Appendix 19 SUMMARY OF MEMBERS

S/N	Membership Category	Active Members	Dormant Members	Total
	Fellows	714	175	889
	Honorary Fellows	54	10	64
	Honorary Senior Members	1,097	0	1,097
	Associates	3,646	1,378	5,024
	Microfinance Certified Bankers	2,099	0	2,099
	Total	7,610	1,563	9173

Source: Modified Appendix 18to remove student and ordinary members.

Appendix 20 ANAN MEMBERS

Our Ref: Your Ref: February 24, 2014.

Stephenie Fox, International Public Sector Accounting Standards Board, International Federal of Accountants, 277 Wellington Street West, 6th Floor, Toronto, Ontario M5V 3H2, CANADA.

Dear Ms Fox,

IPSASB Exposure Draft 49 – Consolidated Formula Statements

Association of National Accountants of Nigeria is very pleased to comment on the above mentioned Exposure Draft on IPSAS 6.

Association of National Accountant of Nigeria (ANAN) is a statutorily recognised professional accountancy body in Nigeria. The body is charged among others, with the duty of advancing the science of accountancy.

The Association was formed on 1st January, 1979 and operate under the ANAN Act 76 Cap A26 0f 1993 LFN 2004, working in the public interest. The Association regulates its practicing and non-practicing members, and is overseen by the Financial Reporting Council of Nigeria.

**** ANAN members are more than 21,000, they are either FCNA OR CNA and are found in business, practice, academic and public sector in all the States of Nigeria and Overseas. The members provide professional services to various users of their services.**

ANAN is an Associate of the International Federation of Accountants (IFAC), the Association of Accountancy Bodies in West Africa (ABWA), the International Association for Accounting Education & Research (IAAER), and the Pan African Federation of Accountants (PAFA).

Our responses to specific matters for comments (1-6) are set out below:

Specific matter for Comment 1:

Do you agree with the proposed definition of control? If not, how would you change the definition?

Our Response:

ANAN agree with the proposed definition of control in this exposure draft.

Specific matter for Comment 2:

APPENDIX 20 CONT. Do you agree that a controlling entity should consolidate all controlled entities (except in the circumstances proposed in this Exposure Draft)? If you consider that certain categories of entities should not be consolidated, please justify your proposal having regard to user needs and indicate your preferred accounting treatment for any such controlled entities. If you have any comments about temporarily controlled entities, please respond to specific.

Our Response:

ANAN agree that a controlling entity should consolidate all controlled entities provided there is no objection from any shareholder with significant interest in the subsidiaries.

Specific matter for Comment 3:

Do you agree with the proposal to withdraw the exemption in IPSAS 6, Consolidate and separate Financial Statement (December 2006) for temporarily controlled entities? If you agree with the withdrawal of the exemption, please give reasons. If you disagree with the withdrawal of the exemption please indicate any modifications that you would propose to the exemption in IPSAS 6 (December 2006).

Our Response:

ANAN disagree with the proposal to withdraw the exemption in IPSAS 6, because it will not be in line with IFRS/IPSAS requirement for full disclosure.

Specific matter for comment 4:

Do you agree that a controlling entity that meets the definition of an investment entity should be required to account for its investments at fair value through surplus or deficit?

Our Response:

ANAN agree that a controlling entity that meets the definition investment entity should be required to account for its investments at fair value through surplus or deficit. The

justification is that profit or loss incurred by any entity is always recognised through the P & L (TPL).

Specific matter for comment 5:

Do you agree that a controlling entity, that is not itself an investment entity, but which controls an investment entity should be required to present consolidated financial

APPENDIX 20 CONT.statements in which (i) measures the investments of the controlled investment entity at fair value through surplus or deficit in accordance with IPSAS 29, Financial Instrument, Recognition and Measurement, and (ii) consolidates the other assets and liabilities and revenue and expenses of the controlled investment entity in accordance with this standard?

Do you agree that the proposed approach is appropriate and practicable? If not, what approach do you consider would be more appropriate and practicable?

Our Response:

ANAN agree that a controlling entity that is not itself an investment entity but which controls an investment entity should be required to present consolidated financial statements. The reason is that the mere fact the holding company and subsidiary company do not engage in the same line of business does not make consolidation inapproriate.

Specific matter for comment 6:

The IPSASB has aligned the principles in this standards with the Government finance statistics manual 2013 (GFSM 2013) where feasible. Can you identify any further opportunities for alignment?

Our Response:

We cannot identify any further opportunities for alignment.

We hope you find the above useful. If you would like to discuss any of the above further please contact the undersigned who will be very pleased to address your area of concern.

Yours faithfully,

ASSOCIATION OF NATIONAL ACCOUNTANTS OF NIGERIA (ANAN) SUNDAY A EKUNE,B Sc.(Hons.)M.Sc. MIoD, CNA. Registrar/Chief Executive

Appendix 21 BANKS' PERFORMANCE AND THEIR ASSETS

ANNUAL PERFORMANCES ON NIGERIAN BANKS

	2014	2013	20012	2011	2010	2009	2008	2007	2006	2005	2004
	N	N	N	N	N	N	N	N	N	N	N
	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
Gross earnings											
ACCESS	NA	182,889	172,720	98,518	91,142	66,077	89,552	57,627	27,881		
DIAMOND	NA	168,015	134,966	101,505	72,971	42,458	71,874	47,733	30,675	12,737	7790
ECOBANK	221,330		158,764	68,155	58,313	59,864	55,156	32,710	17,258	9,302	6,700
FIDELITY	336,724	126,918	119,137	49,534	42,076	22,088	54,256	34,735	24,859	6,159	5,471
FIRST BANK	NA	323,621	295,353	212,975	230,608	196,408	218,287	155,725	91,163		
FCMB	137,470	130,995	116,832	49,186	62,673	35,789	72,698	52,819	24,973	6,121	3,124
GURANTY	458,550	232,014	215,741	169,989	153,908	162,550	218,287	155,725	91,163	25,459	18,917
SKYE	NA	124,985	124,982	118,178	60,748	79,575	53,885	31,189	21,058	6,159	5,252
IBTC	NA	111,226	91,860	55,247	48,394	43,823	42,495	22,480	15,877	5,005	3,072
STERLING	61,374	91,629	68,857	45,698	34,342	46,717	36,129	23,864	12,858	1,611	5,487
UNION	NA			80,764	95,009	65,366	104,568	86,015	67,241	58,898	48,166
UBA	290,002	176,993	159,216	118,969	185,186	246,725	169,506	109,512	90,447	26,089	24,510
UNITY	NA	62,827	53,760		50,989	31,316	35,395	19,203	7,957	5,050	3,888
WEMA	25,197	28,542	29,818	19,892	21,797	18,995	16,551	25,978	29,380	15,288	12,856
ZENITH	375,500	351,470	279,042	214,980	192,488	277,300	211,639	94,880	60,002	34,914	23,931

SOURCE: Nigerian Stock Exchange 2011/12 factbook and updates by the Researcher
from published annual accounts of the bank and www.africanfinancials.com/report.aspx
Retrieved November, 2014.

Appendix 22 ASSET BASE OF BANKS

	2014	2013	20012	2011	2010	2009	2008	2007	2006	2005	2004
	N	N	N	N	N	N	N	N	N	N	N
	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
ASSETS BASE											
ACCESS	NA	1,835,466	1,745,472	1,629,003	804,824	693,784	710,326	1,033,945	328,615	66,918	31,341
DIAMOND	NA	1,354,930	1,059,137	714,064	594,795	650,396	682,078	625,670	320,950	130,654	73,093
ECOBANK	1,772,000		1,325,315	1,085,058	454,239	355,662	432,466	311,396	132,092	67,653	37,642
FIDELITY	3,135,000	1,081,217	914,360	737,732	481,614	435,666	506,267	535,480	218,332	34,953	27,552
FIRST BANK	NA	3,871,001	3,228,384	2,860,169	2,305,258	2,174,058	2,009,914	1,528,234	911,427	470,839	384,211
FCMB	1,169,000	1,008,280	908,546	601,617	538,591	463,641	515,602	467,337	262,841	51,318	23,736
GURANTY	2,355,000	2,102,846	1,734,878	1,598,873	1,152,002	1,066,504	959,184	732,038	486,485	185,151	133,835
SKYE	NA	1,116,537	1,073,828	914,265	705,859	632,511	790,708	447,992	174,197	31,991	25,998
IBTC	NA	763,046	676,819	554,507	384,541	340,490	350,726	314,983	160,643	39,151	31,612
STERLING	824,539	707,797	580,226	504,048	276,111	221,318	249,847	156,736	111,766	19,435	44,122
UNION	NA	1,002,756	1,015,278	1,066,116	1,000,691	1,160,706	1,238,797	1,128,890	700,094	550,983	418,728
UBA	2,763,000	2,642,296	2,272,923	1,920,435	1,617,696	1,548,281	1,673,333	1,191,042	884,137	250,783	212,024
UNITY	NA	403,629	395,720	372,926	305,478	257,936	365,862	203,234	131,032	33,179	25,696
WEMA	382,563	330,872	245,705	221,157	216,984	150,936	129,609	156,205	182,866	97,909	71,424
ZENITH	2,065,030	3,143,133	2,436,886	2,169,073	1,895,027	1,659,703	1,787,000	972,943	619,342	329,717	193,322

SOURCE: Nigerian Stock Exchange 2011/12 factbook and updates by the Researcher from published annual accounts of the bank and www.africanfinancials.com/report.aspx Retrieved November, 2014.

Appendix 23 PROFIT AND LOSS BEFORE TAX OF BANKS

	2014	2013	20012	2011	2010	2009	2008	2007	2006	2005	2004
	N	N	N	N	N	N	N	N	N	N	N
	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
Profit and loss before tax											
ACCESS	NA	31,365	36,260	12,141	16,169	-3,482	26,185	19,042	8,043	4,806	2,380
DIAMOND	NA	33,250	28,365	-27,132	-4,773	-12,374	5,902	16,214	7,641	3,514	1,265
ECOBANK	28,663		5,227	18,023	2,120	-5,944	-898	10,096	5,012	2,265	1,317
FIDELITY	77,312	9,028	21,349	2,584	8,648	2,054	3,815	16,307	5,111	1,564	1,078
FIRST BANK	NA	70,631	76,801	18,636	41,299	13,297	53,799	84,341	46,284		
FCMB	23,942	16,001	16,248	-10,683	9,025	857	4,774	20,517	7,569	1,093	265
GURANTY	98,694	107,091	103,027	62,080	48,456	27,963	35,329	27,368	15,716	6,781	4,976
SKYE	NA	16,023	13,396	2,639	12,732	844	21,690	7,973	2,089	743	918
IBTC	NA	24,617	11,412	9,976	13,528	10,342	14,625	10,992	7,435	3,321	2,049
STERLING	10,747	9,310	7,450	5,640	4,955	-11,632	7,983	2,227	728	-4,968	299
UNION	NA			-122,409	-23,382	-279,786	-67,337	33,012	17,577	12,939	11,794
UBA	56,200	56,058	58,133	-26,600	15,885	13,662	56,815	29,525	12,811	6,520	5,010
UNITY	NA	-33,639	6,457		13,410	-21,099	-21,372	1,463	2,377	460	554
WEMA	3,093	1,947	-4,942	-3,770	13,142	-8,868	-28,306	-56,799	356	1,002	1,420
ZENITH	119,796	106,200	94,048	57,144	50,026	35,085	56,120	25,676	15,590	9,155	6,405

SOURCE: Nigerian Stock Exchange 2011/12 factbook and updates by the Researcher from published annual accounts of the bank and www.africanfinancials.com/report.aspx Retrieved November, 2014.

Appendix 24 ACCESS BANK PLc

FINANCIAL SUMMARY (2004 TO 2014)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
	N	N	N	N	N	N	N	N	N	N	N
	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
ASSETS											
Cash and Cash Equivalents	NA	439,460	405,292	267,917	61,253	81,801	63,025	137,317	63,330	11,812	5,527
loans and adv	NA	786,170	604,073	576,229	455,552	391,160	427,013	253,430	112,032	16,183	11,462
Investments	NA	353,811	447,282	561,734	132,609	76,761	72,938	63,651	10,493	8,386	8,085
Others	NA	188,782	234,191	155,475	130,020	116,117	123,960	565,439	134,598	28,120	4,423
Fixed Assets	NA	67,243	54,634	67,648	25,390	27,945	23,390	14,108	8,162	2,417	1,844
Total assets		1,835,466	1,745,472	1,629,003	804,824	693,784	710,326	1,033,945	328,615	66,918	31,341
LIABILITIES											
Customers deposits	NA	1,331,419	1,201,482	1,101,703	486,926	438,559	430,096	353,746	205,235	32,608	22,724
Borrowings	NA	64,338	48,370	40,838	0	0	0	2,704	0	0	0
Others	NA	195,227	254,334	294,398	142,527	86,879	95,042	505,635	94,995	20,238	5,915
Total liabilities	NA	1,590,984	1,504,186	1,436,939	629,453	525,438	525,138	862,085	300,230	52,846	28,639
Net Assets		245,182	237,624	187,037	175,369	168,344	185,186	171,860	28,384	14,072	2,703
CAPITAL AND RESERVES											
Shareholders fund		244,482	241,285	192,065	175,369	168,344	185,186	171,860	28,384	14,072	2,703
Commitments and contingencies					238,881	138,056	142,634	155,726	80,130		
Gross earnings		182,889	172,720	98,518	91,142	66,077	89,552	57,627	27,881		
Profit and loss before tax		31,365	36,260	12,141	16,169	-3,482	26,185	19,042	8,043	4,806	2,380

NA = Not available at 4/2015

SOURCE: Nigerian Stock Exchange 2011/12 factbook and updates by the Researcher from published annual accounts of the bank

Appendix 25 DIAMOND BANK (2004 TO 2014)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
	N	N	N	N	N	N	N	N	N	N	N
	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
ASSETS											
Cash and Cash Equivalents	NA	205,286	123,225	54,397	78,909	79,519	66,269	104,924	126,297	60,657	38,853
Investments	NA	303,621	90,286	143,772	74,492	68,416	66,458	30,834	11,798	1,557	1,109
Loans and advances to customers	NA	585,953	523,375	344,397	294,228	302,487	285,345	240,449	100,972	42,573	20,780
Advances under finance lease	NA	0	0	0	5,071	6,963	6,151	11,501	8,051	2,058	2,083
Other assets	NA	213,568	280,372	135,221	105,344	155,444	223,699	210,439	56,962		
Fixed Assets	NA	46,502	41,879	36,277	36,751	37,567	34,156	27,523	16,870	3,376	3,189
Total assets		1,354,930	1,059,137	714,064	594,795	650,396	682,078	625,670	320,950	130,654	73,093
LIABILITIES											
Customers deposits	NA	1,093,785	823,091	545,161	412,032	482,056	466,889	419,708	217,738	80,013	45,776
Borrowings	NA	53,198	49,966	54,878	28,281	19,051	23,708	18,587	7,821	6,709	7,467
Others	NA	69,644	78,764	29,889	47,853	43,642	77,477	71,251	42,616	23,096	13,007
Total liabilities	NA	1,216,627	951,821	629,928	488,166	544,749	568,074	509,546	268,175	109,818	66,250
Net Assets		138,303	107,317	84,136	106,629	105,647	114,004	116,124	52,775	20,836	6,843
CAPITAL AND RESERVES											
Shareholders fund		138,303	107,317	84,136	106,629	105,647	114,004	116,124	52,775	20,836	6,843
Commitments and contingencies		199,323	184,181	130,370	228,846	123,993	157,194	214,609	129,278	11,019	15,193
Gross earnings		168,015	134,966	101,505	72,971	42,458	71,874	47,733	30,675	12,737	7,790
Profit and loss before tax		33,250	28,365	-27,132	-4,773	-12,374	5,902	16,214	7,641	3,514	1,265

NA = Not available 04/2015

SOURCE: Nigerian Stock Exchange 2011/12 factbook and updates by the Researcher from published annual accounts of the bank and www.africanfinancials.com/report.aspx

Appendix 26 ECOBANK (2004 TO 2014)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
	N	N	N	N	N	N	N	N	N	N	N
	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
ASSETS											
Cash and Cash Equivalents			112,323	86,919	41,425	24,640	40,015	60,320	11,200	43,078	20,446
Loans and advances to customers			546,873	410,150	231,108	183,719	144,917	116,181	52,279	19,131	11,063
Investments	168,300	220,000	306,692	323,431	19,656	15,387	22,155	24,261	13,889	959	649
Other assets			300,040	197,427	142,455	110,534	206,561	96,381	48,354	2,119	3,578
Fixed Assets			59,387	67,131	19,595	21,382	18,818	14,253	6,370	2,366	1,906
Total assets	1,772,922	1,460,811	1,325,315	1,085,058	454,239	355,662	432,466	311,396	132,092	67,653	37,642
LIABILITIES											
Customers deposits	1,251,015	1,118,401	1,043,213	890,425	340,147	243,831	310,714	222,885	84,041	32,452	28,644
Borrowings			58,883	64,409	3,760	4,576	3,269	0	0	0	0
Others			69,591	54,862	36,012	80,087	86,727	53,689	18,730	9,438	4,585
Total liabilities	1,574,528	1,304,183	1,171,687	1,009,696	379,919	328,494	400,710	276,574	102,771	41,890	33,229
Net Assets			153,628	75,362	74,320	27,168	31,756	34,822	29,321	25,763	4,413
CAPITAL AND RESERVES											
Shareholders fund	198,394	156,628	153,628	75,362	74,320	27,168	31,756	34,822	29,321	25,763	4,413
Commitments and contingencies			163,260	199,417	87,246	93,723	173,366	88,088	68,878	30,371	16,696
Gross earnings	127,642	95,951	158,764	68,155	58,313	59,864	55,156	32,710	17,258	9,302	6,700
Profit and loss before tax	28,663	10,533	5,227	18,023	2,120	-5,944	-898	10,096	5,012	2,265	1,317

SOURCE: Nigerian Stock Exchange 2011/12 factbook and updates by the Researcher from published annual accounts of the bank

Appendix 27 FIDELITY BANK

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
		N	N	N	N	N	N	N	N	N	N
		000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
ASSETS											
Cash and Cash Equivalents		207,834	117,291	82,271	34,169	48,674	185,961	209,564	90,688	17,927	15,778
Loans and advances to customers		426,076	345,500	280,421	199,127	175,398	230,371	234,384	71,691	13,882	9,736
Investments	593,846	254,909	201,806	20,620	43,785	42,713	11,258	7,178	3,331	618	283
Other assets					179,259	144,236	55,142	67,537	45,352	1,356	747
Fixed Assets		37,470	35,358	32,811	25,274	24,645	23,535	16,817	7,270	1,170	1,008
Total assets	3,135,003	1,081,217	914,360	737,732	481,614	435,666	506,267	535,480	218,332	34,953	27,552
LIABILITIES											
Customers deposits	1,892,651	806,320	716,749	563,666	326,741	288,096	355,770	378,543	176,416	20,572	19,340
Borrowings					0	0	0	0	0	0	0
Others					19,821	16,879	21,078	20,565	8,815	4,657	4,693
Total liabilities	2,742,324	917,762	752,905	591,821	346,562	304,975	376,848	399,108	185,231	25,229	24,033
Net Assets					135,052	130,691	129,419	136,372	33,101	9,724	3,520
CAPITAL AND RESERVES											
Shareholders fund	264,486	163,455	161,455	146,073	135,052	130,691	129,419	136,372	33,101	9,724	3,520
Commitments and contigencies					80,592	121,160	59,043	49,259	58,272		
Gross earnings	336,724	126,918	119,137	49,534	42,076	22,088	54,256	34,735	24,859	6,159	5,471
Profit and loss before tax	114,287	9,028	21,349	2,584	8,648	2,054	3,815	16,307	5,111	1,564	1,078

SOURCE: Nigerian Stock Exchange 2011/12 factbook and updates by the Researcher from published annual accounts of the bank

Appendix 28 FBN

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
	N	N	N	N	N	N	N	N	N	N
	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
ASSETS										
Cash and Cash Equivalents	NA	594,234	300,532	199,228	99,286	84,551	158,100	203,831	221,676	129,256
Loans and advances to customers	NA	1,769,130	1,541,377	1,252,462	1,143,614	1,089,287	752,166	476,393	221,038	123,759
Investments	NA	887,155	778,473	777,942	361,033	298,191	207,127	4,918	607	21,651
Other assets	NA	539,183	532,595	564,663	647,339	654,049	852,826	813,038	450,558	
Fixed Assets	NA	81,299	75,407	65,874	53,986	47,980	39,695	30,054	17,548	12,687
Total assets		3,871,001	3,228,384	2,860,169	2,305,258	2,174,058	2,009,914	1,528,234	911,427	470,839
LIABILITIES										
Customers deposits	NA	2,929,081	2,395,148	1,951,321	1,450,567	1,339,142	1,194,455	700,182	599,689	332,196
Borrowings	NA	126,302	75,541	104,473	124,617	35,473	35,042	29,414	22,101	0
Others	NA	343,841	316,380	435,795	94,394	163,200	101,103	368,395	144,352	
Total liabilities		3,399,224	2,787,069	2,491,589	1,669,578	1,537,815	1,330,600	1,097,991	766,142	421,304
Net Assets										
CAPITAL AND RESERVES										
Shareholders fund		471,777	441,315	368,580	635,680	636,243	679,314	430,243	145,285	48,726
Commitments and contingencies					1,022,950	972,601	696,378	544,959	344,155	
Gross earnings		323,621	295,353	212,975	230,608	196,408	218,287	155,725	91,163	
Profit and loss before tax		70,631	76,801	18,636	41,299	13,297	53,799	84,341	46,284	

NA = Not available 4/2015

SOURCE: Nigerian Stock Exchange 2011/12 factbook and updates by the Researcher from published annual accounts of the bank

Appendix 29 FCMB

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
	N	N	N	N	N	N	N	N	N	N	N
	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
ASSETS											
Cash and Cash Equivalents		199,700	123,452	48,417	35,994	17,532	11,599	30,877	39,465	33,743	13,231
Loans and advances to customers		450,533	357,799	323,354	330,421	239,898	273,216	188,931	84,129	11,436	7,905
Investments	148,286	164,207	258,450	137,564	74,466	41,764	32,889	4,338	8,000	160	110
Other assets		167,028	142,514	73,497	77,778	142,629	176,897	226,560	118,471	4,076	855
Fixed Assets		26,812	26,331	18,785	19,932	21,818	21,001	16,631	12,776	1,903	1,635
Total assets	1,169,364	1,008,280	908,546	601,617	538,591	463,641	515,602	467,337	262,841	51,318	23,736
LIABILITIES											
Customers deposits	733,796	715,214	646,217	410,683	334,821	266,013	321,219	251,223	187,671	27,123	18,019
Borrowings		59,244	26,933	19,264	25,116	30,178	11,184	24,539	13,144	250	0
Others					43,883	37,857	54,143	57,942	30,922	16,730	2,960
Total liabilities	1,008,999	864,573	776,530	484,223	403,820	334,048	386,546	333,704	231,737	44,103	20,979
Net Assets					134,771	129,593	129,056	133,633	31,104	7,215	2,757
CAPITAL AND RESERVES											
Shareholders fund	160,365	143,707	132,015	117,394	134,771	129,593	129,056	133,633	31,104	7,215	2,757
Commitments and contingencies					65,250	50,493	42,161	120,039	46,111	11,936	7,087
Gross earnings	137,470	130,995	116,832	49,186	62,673	35,789	72,698	52,819	24,973	6,121	3,124
Profit and loss before tax	23,942	16,001	16,248	-10,683	9,025	857	4,774	20,517	7,569	1,093	265

SOURCE: Nigerian Stock Exchange 2011/12 factbook and updates by the Researcher
from published annual accounts of the bank
www.africanfinancials 2013 to 2012, 2005 and 2004 accounts

Appendix 30 GTB

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
	N	N	N	N	N	N	N	N	N	N	N
	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
ASSETS											
Cash and Cash Equivalents	NA	307,396	276,856	349,060	186,147	72,826	126,566	104,724	159,058	47,471	31,999
Loans and advances to customers	NA	1,002,370	779,050	706,893	593,573	563,494	416,343	288,170	120,190	65,516	44,031
Investments	NA	487,858	176,459	210,529	51,739	136,194	91,511	117,768	42,257	47,719	35,688
Other assets	NA	236,916	441,626	274,880	269,946	247,499	285,134	187,406	144,100	16,505	17,730
Fixed Assets	NA	68,306	60,887	57,511	50,597	46,491	39,630	33,970	20,880	7,940	4,387
Total assets		2,102,846	1,734,878	1,598,873	1,152,002	1,066,504	959,184	732,038	486,485	185,151	133,835
LIABILITIES											
Customers deposits	NA	1,427,493	1,148,197	1,026,119	761,195	683,081	470,606	362,936	294,501	97,445	75,283
Borrowings	NA	92,135	92,562	93,230	22,936	12,333	14,058	56,143	58,063	6,910	3,526
Others	NA	250,865	212,292	252,790	163,076	183,986	296,527	152,949	86,597	46,822	43,033
Total liabilities		1,770,493	1,453,051	1,372,139	947,207	879,400	781,191	572,028	439,161	151,177	121,842
Net Assets											
CAPITAL AND RESERVES											
Shareholders fund		332,353	281,827	230,393	204,795	187,104	177,993	160,010	47,324	33,973	11,993
Commitments and contingencies					424,988	332,820	325,600	116,282	82,377	57,604	
Gross earnings		232,014	215,741	169,989	153,908	162,550	218,287	155,725	91,163	25,459	18,917
Profit and loss before tax		107,091	103,027	62,080	48,456	27,963	35,329	27,368	15,716	6,781	4,976

NA = Not available 4/2015 SOURCE: Nigerian Stock Exchange 2011/12 factbook and updates by the Researcher from published annual accounts of the bank

Appendix 31 **SKYE**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
	N	N	N	N	N	N	N	N	N	N	N
	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
ASSETS											
Cash and Cash Equivalents	NA	145,056	111,666	80,615	59,958	58,574	104,760	65,727	52,171	14,005	12,277
Loans and advances to customers	NA	549,858	540,380	486,905	392,741	327,190	251,430	110,731	72,454	12,123	10,165
Investments	NA	177,347	208,518	148,556	87,126	46,115	50,776	32,945	8,470	856	485
Other assets	NA		183,927	167,082	130,189	157,968	350,637	220,189	31,428		
Fixed Assets	NA	29,523	29,337	31,107	35,845	42,664	33,105	18,400	9,674	1,192	827
Total assets		1,116,537	1,073,828	914,265	705,859	632,511	790,708	447,992	174,197	31,991	25,998
LIABILITIES											
Customers deposits	NA	823,325	790,092	645,449	475,119	450,187	500,209	267,095	125,471	22,623	20,913
Borrowings	NA	138,685	114,208	85,248	17,064	2,398	37,504	0	0		
Others	NA		62,634	83,462	104,881	91,840	158,240	151,521	22,639		
Total liabilities	NA	996,221	966,934	814,159	597,064	544,425	695,953	418,616	148,110	27,543	23,044
Net Assets			106,894	100,106	108,795	88,086	94,755	29,376	26,087		
CAPITAL AND RESERVES											
Shareholders fund		120,415	106,894	100,106	108,795	88,086	94,755	29,376	26,087	4,447	2,953
Commitments and contingencies		123,282	156,930	141,990	134,021	160,738	236,762	70,379	36,742		
Gross earnings		124,985	124,982	118,178	60,748	79,575	53,885	31,189	21,058	6,159	5,252
Profit and loss before tax		16,023	13,396	2,639	12,732	844	21,690	7,973	2,089	743	918

NA = Not available at 4/2015

SOURCE: Nigerian Stock Exchange 2011/12 factbook and updates by the Researcher from published annual accounts of the bank

Appendix 32 IBTC

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
		N	N	N	N	N	N	N	N	N	N
		000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
ASSETS											
Cash and Cash Equivalents		120,312	106,680	30,074	22,476	19,150	24,688	60,601	24,788	903	998
Loans and advances to customers		383,927	320,662	302,771	177,454	119,885	102,659	81,454	36,921	12,492	8,964
Investments	200,100	139,304	85,757	88,877	47,585	70,881	77,426	73,050	33,477	5,389	6,002
Other assets		94,515	139,262	108,061	105,774	103,696	130,521	91,216	59,240	19,619	14,837
Fixed Assets		24,988	24,458	24,724	31,252	26,878	15,432	8,662	6,217	748	811
Total assets	660,218	763,046	676,819	554,507	384,541	340,490	350,726	314,983	160,643	39,151	31,612
LIABILITIES											
Customers deposits	283,498	416,352	355,419	287,242	186,466	169,200	95,262	71,391	68,031	10,163	9,582
Borrowings		48,764	66,873	47,618	18,272	12,647	12,201	27,533	5,609	2,657	2,677
Others		200,296	168,876	137,869	96,053	78,163	162,599	140,496	36,057	10,470	11,516
Total liabilities	907,000	665,412	591,168	472,729	300,791	260,010	270,062	239,420	109,697	23,290	23,775
Net Assets		97,634	85,651	81,778	83,750	80,480	80,664	75,563	50,946	15,861	7,837
CAPITAL AND RESERVES											
Shareholders fund	114	97,634	85,651	81,778	83,750	80,480	80,664	75,563	50,946	15,861	7,837
Commitments and contigencies					14,861	16,198	50,861	56,259	5,688	3,900	2,377
Gross earnings	51,400	111,226	91,860	55,247	48,394	43,823	42,495	22,480	15,877	5,005	3,072
Profit and loss before tax	40,100	24,617	11,412	9,976	13,528	10,342	14,625	10,992	7,435	3,321	2,049

SOURCE: Nigerian Stock Exchange 2011/12 factbook and updates by the Researcher from published annual accounts of the bank

Appendix 33 STERLING

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
	N	N	N	N	N	N	N	N	N	N	N
	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
ASSETS											
Cash and Cash Equivalents		96,900	63,622	36,810	12,684	18,182	37,529	19,957	19,890	5,004	4,431
Loans and advances to customers		321,749	229,421	162,063	103,754	82,935	70,249	49,347	40,134	1,723	306
Investments	96,400	97,822	174,793	172,471	109,872	40,133	38,416	30,348	17,551	1,957	18,030
Other assets		182,257	104,597	123,773	45,274	74,855	98,266	51,995	26,843		
Fixed Assets		9,069	7,793	8,931	4,527	5,213	5,387	5,089	7,348	2,152	2,125
Total assets	824,539	707,797	580,226	504,048	276,111	221,318	249,847	156,736	111,766	19,435	44,122
LIABILITIES											
Customers deposits	655,944	570,511	463,726	392,050	203,095	161,277	176,916	99,218	68,946	12,379	17,746
Borrowings		38,795	30,356	27,301	25,058	14,202	11,703	0	0		
Others		35,033	39,502	43,640	21,840	24,766	29,787	29,292	16,636		
Total liabilities	739,824	644,339	533,584	462,991	249,993	200,245	218,406	128,510	85,582	16,468	38,160
Net Assets					26,118	21,073	31,441	28,226	26,184	2,967	5,962
CAPITAL AND RESERVES											
Shareholders fund	84,715	63,458	46,642	41,057	26,118	21,073	31,441	28,226	26,184	2,967	5,962
Commitments and contingencies		201,629	127,949	76,673	48,908	25,198	91,181	54,122	32,437	9,991	5,752
Gross earnings	68,763	91,629	68,857	45,698	34,342	46,717	36,129	23,864	12,858	1,611	5,487
Profit and loss before tax	10,747	9,310	7,450	5,640	4,955	-11,632	7,983	2,227	728	-4,968	299

SOURCE: Nigerian Stock Exchange 2011/12 factbook and updates by the Researcher from published annual accounts of the bank

Appendix 34 UBA

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
		N 000,000	N 000,000	N 000,000	N 000,000	N 000,000	N 000,000	N 000,000	N 000,000	N 000,000	N 000,000
ASSETS											
Cash and Cash Equivalents		716,803	714,115	343,218	191,511	110,260	294,093	164,772	219,441	110,517	90,209
Loans and advances to customers		937,620	658,922	605,627	628,811	606,616	431,410	320,406	109,860	67,610	56,136
Investments	657,523	814,183	680,817	732,664	394,571	197,913	128,383	105,059	72,963	3,581	3,460
Other assets					337,603	560,450	757,894	551,058	448,682	62,908	55,840
Fixed Assets		75,409	70,746	55,618	65,200	73,042	61,553	49,747	33,191	6,167	6,379
Total assets	2,762,573	2,642,296	2,272,923	1,920,435	1,617,696	1,548,281	1,673,333	1,191,042	884,137	250,783	212,024
LIABILITIES											
Customers deposits	2,169,663	2,161,182	1,720,008	1,445,822	1,267,171	1,245,650	1,333,289	905,806	762,574	205,110	151,929
Borrowings		48,866	114,520	137,040	82,144	14,760	0	1,135	1,135	1,676	3,385
Others					268,381	287,871	340,044	284,101	120,428	24,554	37,177
Total liabilities	2,497,167	2,407,260	2,080,456	1,769,495	1,617,696	1,548,281	1,673,333	1,191,042	884,137	231,340	192,491
Net Assets		235,036	192,467	150,940	179,426	186,829	195,281	168,078	48,835	19,443	19,533
CAPITAL AND RESERVES											
Shareholders fund	259,930	235,036	192,467	150,940	179,426	186,829	195,281	168,078	48,835	19,443	19,533
Commitments and contingencies					654,360	689,479	616,734	451,110	167,184	250,783	212,024
Gross earnings	290,019	176,993	159,216	118,969	185,186	246,725	169,506	109,512	90,447	26,089	24,510
Profit and loss before tax	56,200	56,058	58,133	-26,600	15,885	13,662	56,815	29,525	12,811	6,520	5,010

SOURCE: Nigerian Stock Exchange 2011/12 factbook and updates by the Researcher from published annual accounts of the bank

Appendix 35 UBN

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
	N	N	N	N	N	N	N	N	N	N	N
	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
ASSETS											
Cash and Cash Equivalents	NA	100,925	200,260	210,038	46,922	107,799	131,143	141,451	125,178	399,411	287,940
Loans and advances to customers	NA	229,542	160,669	158,565	207,327	472,676	427,099	263,102	161,599	91,928	87,684
Investments	NA	289,353	314,416	181,374	380,167	125,289	133,669	84,241	75,454	19,232	13,704
Other assets	NA				307,524	393,753	489,759	610,628	309,976		
Fixed Assets	NA	45,527	48,466	60,533	58,751	61,189	57,127	29,468	27,887	17,665	14,259
Total assets		1,002,756	1,015,278	1,066,116	1,000,691	1,160,706	1,238,797	1,128,890	700,094	550,983	418,728
LIABILITIES											
Customers deposits	NA	482,706	522,443	500,199	645,987	957,329	772,127	682,309	432,084	339,538	282,524
Borrowings	NA	45,280	34,564	26,950	150,258	134,651	0	0	0		
Others	NA				320,234	297,703	399,900	321,318	160,526		
Total liabilities	NA	803,413	836,094	871,565	1,000,691	1,160,706	1,238,797	1,128,890	700,094	506,049	377,106
Net Assets		199,343	179,184	190,553	-115,788	-228,977	66,770	125,263	107,484	44,930	41,622
CAPITAL AND RESERVES											
Shareholders fund		45,280	34,564	190,553	-115,788	-228,977	66,770	125,263	107,484	44,930	41,622
Commitments and contingencies				100,628	123,631	101,351	91,123	86,855	33,700	36,262	28,278
Gross earnings				80,764	95,009	65,366	104,568	86,015	67,241	58,898	48,166
Profit and loss before tax				-122,409	-23,382	-279,786	-67,337	33,012	17,577	12,939	11,794

NA = N SOURCE: Nigerian Stock Exchange 2011/12 factbook and updates by the Researcher from published annual accounts of the bank

Appendix 36 UNITY BANK

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
	N	N	N	N	N	N	N	N	N	N
	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
ASSETS										
Cash and Cash Equivalents	9,711	41,245	27,702	38,110	17,270	44,032	53,417	35,549	18,583	15,211
Loans and advances to customers	195,229	189,041	117,875	118,602	88,379	52,283	36,782	37,206	11,282	8,047
Investments	244,686	214,289	134,097	42,300	10,783	16,462	1,364	1,476	336	146
Other assets				82,679	125,806	239,057	98,507	43,978	2,027	1,468
Fixed Assets	20,092	20,887	21,955	23,787	15,698	14,028	13,164	12,823	951	824
Total assets	403,629	395,720	372,926	305,478	257,936	365,862	203,234	131,032	33,179	25,696
LIABILITIES										
Customers deposits	303,270	270,060	266,870	221,701	214,986	320,263	145,794	79,684	24,743	18,429
Borrowings	54,319	54,435	43,007	17,739	0	0	8,218	8,218	0	0
Others	17,828	19,767	19,228	21,753	35,791	26,231	17,182	12,362	5,677	4,755
Total liabilities	375,417	344,262	329,105	261,193	250,777	346,494	171,194	100,264	30,420	23,184
Net Assets				44,285	7,159	19,368	32,040	30,768	2,759	2,512
CAPITAL AND RESERVES										
Shareholders fund	28,213	51,458	43,822	44,285	7,159	19,368	32,040	30,768	2,759	2,512
Commitments and contingencies							13,170	8,648	5,381	6,462
Gross earnings	62,827	53,760		50,989	31,316	35,395	19,203	7,957	5,050	3,888
Profit and loss before tax	-33,639	6,457		13,410	-21,099	-21,372	1,463	2,377	460	554

SOURCE: Nigerian Stock Exchange 2011/12 factbook and updates by the Researcher from published annual accounts of the bank

Appendix 37 WEMA BANK

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
		N	N	N	N	N	N	N	N	N	N
		000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
ASSETS											
Cash and Cash Equivalents		31,314	19,627	23,934	14,714	11,403	8,734	36,553	26,963	19,354	19,049
Loans and advances to customers		98,631	73,745	67,236	50,409	30,465	47,080	51,546	70,093	46,183	36,607
Investments	3,100	601	665	729	55,629	8,072	17,719	23,311	13,593	20,821	8,016
Other assets		187,858	139,235	115,781	82,309	86,711	41,243	26,805	56,875	7,387	3,685
Fixed Assets		12,468	12,433	13,477	13,923	14,285	14,833	17,990	15,342	4,164	4,067
Total assets	382,562	330,872	245,705	221,157	216,984	150,936	129,609	156,205	182,866	97,909	71,424
LIABILITIES											
Customers deposits	258,956	217,734	174,302	147,387	120,884	94,059	108,825	132,959	123,842	61,285	55,072
Borrowings		57,588	57,007	58,086	54,332	88,673	43,285	0	0	643	534
Others		14,155	13,117	9,416	25,998	14,043	17,676	43,182	32,598	11,722	7,777
Total liabilities	338,793	289,477	244,426	214,889	201,214	196,775	169,786	176,141	156,440	73,650	63,383
Net Assets		41,395	1,278	6,268	15,770	-45,839	-40,177	-19,936	26,426	24,259	8,040
CAPITAL AND RESERVES											
Shareholders fund	43,768	41,395	1,278	6,268	15,770	-45,839	-40,177	-19,936	26,426	24,259	8,040
Commitments and contingencies					18,598	2,612	2,480	16,766	40,540		
Gross earnings	25,197	28,542	29,818	19,892	21,797	18,995	16,551	25,978	29,380	15,288	12,856
Profit and loss before tax	3,093	1,947	-4,942	-3,770	13,142	-8,868	-28,306	-56,799	356	1,002	1,420

SOURCE: Nigerian Stock Exchange 2011/12 factbook and updates by the Researcher from published annual accounts of the bank

Appendix 38 ZENITH

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
		N	N	N	N	N	N	N	N	N	N
		000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
ASSETS											
Cash and Cash Equivalents		1,190,292	961,020	705,351	440,593	360,894	641,007	360,870	242,112	180,407	121,891
Loans and advances to customers		1,251,355	895,354	827,035	749,009	703,832	459,939	295,259	204,217	122,494	53,391
Investments	200,079	303,125	281,743	314,676	217,968	159,410	64,997	41,630	11,155	6,139	4,427
Other assets		338,951	232,118	256,134	420,312	356,948	570,112	238,385	137,624	5,599	4,144
Fixed Assets		59,410	66,651	65,877	67,145	78,619	50,945	36,799	24,234	15,078	9,469
Total assets	3,755,264	3,143,133	2,436,886	2,169,073	1,895,027	1,659,703	1,787,000	972,943	619,342	329,717	193,322
LIABILITIES											
Customers deposits	2,537,311	1,276,755	1,802,008	1,577,290	1,318,072	1,173,917	1,188,876	634,493	393,309	233,413	131,095
Borrowings		60,150	15,138	21,070	27,975	35,984	34,571	21,948	12,750	0	0
Others		1,296,977	181,737	198,696	185,419	112,009	216,936	200,047	112,621	58,515	46,552
Total liabilities	3,202,626	2,633,882	1,998,883	1,797,056	1,531,466	1,321,910	1,440,383	856,488	518,680	291,928	177,647
Net Assets		506,236	438,003	372,017	363,561	337,793	346,617	116,455	100,662	37,789	15,675
CAPITAL AND RESERVES											
Shareholders fund	552,086	509,251	438,003	372,017	363,561	337,793	346,617	116,455	100,662	37,789	15,675
Commitments and contingencies					902,931	638,708	724,298	298,138	156,685	41,005	21,905
Gross earnings	403,343	351,470	279,042	214,980	192,488	277,300	211,639	94,880	60,002	34,914	23,931
Profit and loss before tax	119,796	106,200	94,048	57,144	50,026	35,085	56,120	25,676	15,590	9,155	6,405

SOURCE: Nigerian Stock Exchange 2011/12 factbook and updates by the Researcher from published annual accounts of the bank

Appendix 39 NIGERIA POPULATION

	State	Male	Female	Total	RANK %	Rank
1	Abia	1,430,298	1,451,082	2,881,380	0.020517	28
2	Adamawa	1,607,270	1,571,680	3,178,950	0.022636	26
3	Akwa Ibom	1,983,202	1,918,849	3,902,051	0.027785	15
4	Anambra	2,117,984	2,059,844	4,177,828	0.029749	10
5	Bauchi	2,369,266	2,283,800	4,653,066	0.033133	7
6	Bayelsa	874,083	830,432	1,704,515	0.012137	36
7	Benue	2,114,043	2,109,598	4,223,641	0.030075	9
8	Borno	2,163,358	2,007,746	4,171,104	0.029701	11
9	Cross River	1,471,967	1,421,021	2,892,988	0.0206	27
10	Delta	2,069,309	2,043,136	4,112,445	0.029283	12
11	Ebonyi	1,064,156	1,112,791	2,176,947	0.015501	34
12	Edo	1,633,946	1,599,420	3,233,366	0.023023	24
13	Ekiti	1,215,487	1,183,470	2,398,957	0.017082	29
14	Enugu	1,596,042	1,671,795	3,267,837	0.023269	22
15	Gombe	1,244,228	1,120,812	2,365,040	0.01684	31
16	Imo	1,976,471	1,951,092	3,927,563	0.027967	14
17	Jigawa	2,198,076	2,162,926	4,361,002	0.031053	8
18	Kaduna	3,090,438	3,023,065	6,113,503	0.043532	3
19	Kano	4,947,952	4,453,336	9,401,288	0.066943	1
20	Katsina	2,948,279	2,853,305	5,801,584	0.041311	4
21	Kebbi	1,631,629	1,624,912	3,256,541	0.023188	23
22	Kogi	1,672,903	1,641,140	3,314,043	0.023598	20
23	Kwara	1,193,783	1,171,570	2,365,353	0.016843	30
24	Lagos	4,719,125	4,394,480	9,113,605	0.064894	2
25	Nasarawa	943,801	925,576	1,869,377	0.013311	35
26	Niger	2,004,350	1,950,422	3,954,772	0.02816	13
27	Ogun	1,864,907	1,886,233	3,751,140	0.02671	16
28	Ondo	1,745,057	1,715,820	3,460,877	0.024643	18
29	Osun	1,734,149	1,682,810	3,416,959	0.024331	19
30	Oyo	2,802,432	2,778,462	5,580,894	0.039739	5
31	Plateau	1,598,998	1,607,533	3,206,531	0.022832	25
32	Rivers	2,673,026	2,525,690	5,198,716	0.037018	6
33	Sokoto	1,863,713	1,838,963	3,702,676	0.026365	17
34	Taraba	1,171,931	1,122,869	2,294,800	0.01634	33
35	Yobe	1,205,034	1,116,305	2,321,339	0.016529	32
36	Zamfara	1,641,623	1,637,250	3,278,873	0.023348	21
	FCT Abuja	733,172	673,067	1,406,239	0.010013	37
		71,315,488	69,122,302	140,437,790	1	

SOURCE: National Population Commission, Nigeriaweb site
www.population.gov.ng retrieved 02/11/2014