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Consulting Editors

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All articles must comply with the following guidelines:

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ii. The article must be typed double-line spacing @ 12 font size with title page, Author's name and affiliations (including email and phone number).
iii. The Abstract should not be more than 250 words and Keywords should not be more than five words arranged alphabetically.
iv. The paper should have a definite structure (five sections) showing the (a) Introductions (b) Literature Review/Theoretical Framework (c) Methodology (iv) Results and Discussions (v) Conclusions and Recommendations and (vi) American Psychological Association 7th edition format is recommended for in-text reference citations.
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Editorial Note

The Journal of Contemporary issues in Accounting (JOCIA) is the brain child of Nnamdi Azikiwe University - ANAN Centre for Accountancy Research Studies. JOCIA is a double-anonymous peer-reviewed Journal that focus on contemporary accounting, finance and economic issues globally. The Journal is published in April, August and December each year.

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CONTENTS

BOARD DIVERSITY AND AUDIT QUALITY OF LISTED FOOD AND BEVERAGE FIRMS IN NIGERIA

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Abstract
This study examined the effect of corporate board diversity on audit quality of listed food and beverage firms in Nigeria. Specifically, the objectives of the study are to; ascertain the effect of ethnicity diversity on audit quality, to determine the effect of age diversity on audit quality and to determine the effect of experience diversity on audit quality. Ex-post facto research design was adopted. The study was underpinned on agency and stakeholder's theories. Formulated hypotheses were tested using Ordinary Least Square (OLS) statistical technique with the aid of SPSS version 20. Based on this, the study found out that ethnicity diversity and age diversity have no significant effect on audit quality of listed food and beverage firms in Nigerian Stock Exchange. In view of the findings of this study, it is observed that ethnicity diversity, age diversity and experience diversity do not significantly affect audit quality of listed food and beverage firms in Nigeria. The study recommended among others that ethnicity, age and experience diversities should not to be prioritized in corporate board composition.
***Keywords**: Corporate board diversity; Audit quality; listed food and beverage firms*

Introduction

Since several large accounting scandals at the beginning of the 21th century, such as WorldCom, Enron, Cadbury Plc, Afribank Plc, Oceanic Bank Plc among others, the integrity of the financial reports and corporate governance has become more important. Corporate governance has become a well-discussed and controversial topic in both the popular and business press (Larcker & Tayan, 2011). Investors want to trust the financial reports and require that the financial statements give a true and fair view. This means that the financial statements are free from material misstatements and faithfully represent the actual financial performance and position of the entity (Gray & Manson, 2011).

The firm's board of directors is the most important internal control device to control and monitor management in order to deter management from opportunistic behaviour (Rose, 2007). The board has both an advisory and an oversight function. The advisory role of the board means that the board offers assistance to the management regarding the strategic and operational direction of the company. The oversight function is exercised through monitoring management, thereby ensuring that the board represent and protect the interest of the company's shareholders (Larcker & Tayan, 2011).

These differences include observable differences as age, gender or skin-color, as well as less observable differences such as ethnicity, experience and creed. According to Erhardt et. al. (2003) diversity leads to a greater knowledge base, creativity and innovation, and therefore becomes a competitive advantage. According to Carter et. al. (2003) board diversity is critical for the monitoring function. Directors with different backgrounds and demographics have different views than more homogeneous boards and therefore a diverse board has a much broader view which enhances the effectiveness of the board. More diversity will also increase the independence of the board, because the different board members do not share their background, school relationships, kinships or regionalism (Choi & Min, 2012). This study investigates the effect of corporate board diversity on audit quality of listed food and beverage companies in Nigeria.

Diversity in the boardroom has been an issue in recent years. While diversity has been widely recognized as a desirable board characteristic, research findings on the effects of board diversity on audit quality are inconclusive because of the differences in how diversity is measured and conceptualized. More worrisome is that, the literature on how corporate board diversity shape the level of audit quality is, as far as we know, scarce in Nigeria despite the growing studies mostly in developed countries. This considerably limits our understanding of how corporate board diversity might promote or impede the informational properties of audit quality. Most of these studies focus on relationship between board size, audit committee composition, gender diversity and audit quality while neglecting skills, expertise and experience, ethnicity diversity and age diversity of board members.

Consequently, the inconsistencies and mix findings in prior studies and the dearth of empirical studies on corporate board diversity and audit quality in Nigeria have informed this study. Hence this study is aimed at filling the knowledge void gap, contradictory evidence gap and boosting empirical evidence from Nigeria with respect to the aforementioned. The main objective of this study is to examine the effect of corporate board diversity on audit quality of listed food and beverage firms in Nigeria. At the backdrop of these issues, the researchers formulated the following hypotheses in null form to guide the investigations of the study:

Ho₁: Ethnicity diversity has no significant effect on audit quality of listed food and beverage firms in Nigeria.

Ho₂: Age diversity has no significant effect on audit quality of listed food and beverage firms in Nigeria.

Ho₃: Skill, expertise and experience diversity has no significant effect on audit quality of listed food and beverage firms in Nigeria.

The paper is organised as follows' the next section reviews relevant literature with regards to context justification and provide a theoretical background for the study, respectively. Next describes the sample data and empirical methodology. The last section summaries the main results, offers conclusion and recommendations.

Review of Related Literature

Conceptual Review

Corporate board diversity

Van der Walt and Ingley (2003) define diversity in the composition of the Board as the varied combination of attributes, characteristics and skills that their members have. Diversity means having a range of many people that are different from each other. Diversity means having a range of many people that are different from each other. There is, however, no uniform definition of board diversity. Traditionally speaking, one can consider factors like age, race, gender, educational background and professional qualifications of the directors to make the board less homogenous (Isa & Farouk, 2018). Van der Walt and Ingley (2003) define diversity in the composition of the Board as the varied combination of attributes, characteristics and skills that their members have.

Ethnicity diversity

Ethnicity can be defined as a group of people who regard themselves to be different from others. The ethnic groups are united by common traditional, cultural, linguistic, ritualistic, behavioral and religious traits. According to the National Association of Corporate Directors and The Center for Board Leadership (NACD), more than 75 percent believe that ethnic diversity is a critical factor in board recruitment (Larcker & Tayan, 2011). According to Rahman and Ali (2006), cultural and ethnic factors are important as the traditions of a nation are instilled in its people and might help explain why things are as they are which could also affect the likelihood of earnings management. Ethnic diversity pertains to having a mix of individuals from various racial, cultural and religious backgrounds. The ethnic mix of a board should ideally represent the area in which the company operates. Ethnicity plays significant role in determining belief and can influence work-related values. In turn, these values may have impact on transparency and disclosure of company in annual reports.

Experience diversity

Board of directors is usually selected for their leadership qualities - they often have experience with generalised management or leadership experience rather than narrow expertise or technical acumen. Having the optimal mix of skills, expertise and experience is paramount to ensure that the board as a collective is equipped to guide the business and strategy of the company. However, a move towards having inched technical experience in the boardroom does not appear to be implausible.

Currently in South Africa, directors of listed companies who sit on audit committees are expected to have keen financial expertise with an understanding of financial and sustainability reporting standards. Furthermore, given the increasingly digital environment that businesses operate in, having a technology expert sitting in the boardroom could prove to be a strategically advantageous decision for a company.

Age Diversity

Board members age diversity means a good number of young directors and older directors on the board. Age diversity is most helpful when the task at hand is at a complex nature. Complexity according to Dagsson (2011) is defined as a strong demand for complex decision making. When board of directors is faced with complex problems ideas from young and older directors put together can dissolve the complex problem. Age diversity is an often overlooked element in the boardroom. Board members tend to be older, as many boards equate age with experience. Hambrick and Mason (1984) study found marginal evidence of generational diversity in boardrooms, with so-called “younger” directors being in their fifties. While older directors do provide a wealth of knowledge, having younger directors introduces a fresh perspective into the boardroom which should not be underestimated. Cheng and Leung (2012) document a significantly positive relationship between directors' age and clients' demand for high audit quality. This is because older directors are more involved in maximizing shareholders' wealth and are more risk-averse (Ararat, Aksu, & Tansel Cetin, 2015).

Audit Quality

The concept of audit quality has proved difficult to define with certainty. It is not immediate or directly observable and is difficult to measure (Power, 1975). A significant body of literature dealing specifically with audit quality has developed from DeAngelo (1981) studies of independence and the competence of auditors of large audit firms. Much of the research literature investigating audit quality relies on the economic view represented in the definition proposed by DeAngelo (1981) that audit quality is the market- assessed Joint probability that a given auditor will both (i) identify a breach in the client company’s accounting system and (ii) report that breach, that is, the auditor has both the technical competence to detect any material errors during the audit process, and the independence to ensure material errors and omissions are corrected or disclosed in the auditor’s report. This, audit quality is connected to both the actuality and the perceptions of two important determinants of audit quality: Competence and independence.

Audit quality when there is an irregularity or conflict in accounting statement discovered and revealed by an auditor according to De Angelo (1981), it is described as a quality of audit. Khurana and Raman (2004), define audit quality as an auditor will (1) detect and (2) correct/reveal any material omission or misstatements in the financial statements.

Theoretical Framework

Agency Theory

Agency theory represents a conflict between the owners and the managers, the conflict which partly reduces through the financial reporting. Regular financial reporting is a tool through which the owners can monitor the employment contracts. Accountants call this type of routine report “Stewardship” (accountability to the company owners). This theory has been used to explain the need to audit. Auditor acts as an independent inspector auditing the financial reports provided by the managers to the owners (Mahdi & Mahdi, 2015). Agency theory is a theory that has been applied to many fields in the social and management sciences: politics, economics, sociology, management, marketing, accounting and administration. The agency theory a neoclassical economic theory (Ping &Wing 2011) and is usually the starting point for any debate on the corporate governance.). It is earmarked on the assumptions that: parties who enter into a contract will act to maximize their own self-interest and that all actors have the freedom to enter into a contract or to contact elsewhere. Furthermore, it is concerned with ensuring that agents act in the interest of the principals (Ejeagbasi, Nweze & Nze, 2015).

Stakeholders Theory

Freeman (1984) offers a traditional definition of a stakeholder as any group or individual who can affect or is affected by the achievement of the organization’s objectives. The general ideal of stakeholder theory is a redefinition of the organization, which is what the organization should be and how it should be conceptualized. The theory as noted by Friedman (2006) states that organization itself should be thought of as grouping of stakeholders and the purpose of the organization should be to manage their interests, needs and viewpoints. This stakeholder management is thought to be fulfilled by the managers of a firm. The managers should manage the corporation for the benefit of its stakeholders in order to ensure their rights and participation in decision making and the management must act as the stockholders agent to ensure the survival of the firm to safeguard the long term stakes of each group (Oso & Semiu, 2012).

The stakeholders' theory was adopted to fill the observed gap created by omission found in the agency theory which identifies shareholders as the only interest group of a corporate entity (Hoitash, Hoitash, & Bedard, 2009). Within the framework of the stakeholders' theory the problem of agency has been widened to include multiple principals (Sand, Garba & Mikailu, 2011). Freeman, Wicks and Farmer (2004), suggested that: "if organizations want to be effective, they will pay attention to all and only those relationships that can affect or be affected by the achievement of the organization's purpose". Hence, this study is anchored on agency theory and stakeholder theory,

Empirical Review

Ajueyitse and Iserameiya (2019) examine the relationship between board gender diversity (female representation on board), ethnic diversity of the board, foreign directorship of the board, male audit committee membership and audit quality for the period of 2012 to 2017. Fifty (50) quoted companies on the Nigerian Stock Exchange were conveniently selected as the sample size. The study used Ordinary Least Square (OLS) regression technique in testing the hypotheses. The study observed a significant relationship between board gender diversity (female representation on board) and audit quality; a significant relationship between ethnic diversity of the board and audit quality; a significant relationship between foreign directorship of the board and audit quality; and that there is no significant relationship between male audit committee membership and audit quality.

Damagum, Oba, Chima and Ibikunle (2014) exactly look at the effect of ladies in corporate board on audit quality. Utilizing an example of 20 firms speaking to the different areas of the Nigerian Stock Exchange, they conducted panel regression of optional accumulations on a lot of logical factors comprising gender mix. Results give vigorous proof to recommend that the inclusion of a female executive does not specially improve audit report quality.

Oba (2014) explores the capacity of certain board elements to impact the executive frame of mind in connection to audit quality in Nigerian recorded firms. Collections, an intermediary for audit quality is evaluated utilizing the Dechow and Dichev model. Utilizing board information got from yearly reports of 69 recorded Nigerian firms from 2008 to 2012, the investigation archives that board autonomy, board tenure, gender diversity and executives' shareholding are critical indicators of Audit quality in Nigeria. The board size was found to neutrally affect audit quality.

Enofe, Iyafekhe, and Eniola (2017) examine board ethnicity, gender diversity in connection to audit quality in non-money related firms. It explicitly analysed the effect of foreign directorship, female gender, board size, board autonomy and firm size on audit quality. The examination utilized quantitative and cross sectional study information of non-money related foundation listed in the Nigeria Stock Exchange as at 2014. Information was investigated utilizing enlightening insights, connection and various Least Square (MLS) relapse. This investigation found that foreign board individuals, female gender in the board and board autonomy were adversely identified with audit quality.

Omoye, Alade and Eriki, (2013) utilized 96 arbitrarily chose from the Nigerian Stock Trade, utilizing conventional least square regression utilizing the individual ethnic gatherings for independent examination. Results demonstrated that the individual ethnic gathering (Hausa, Igbo, and Yoruba) each had a negative relationship with audit quality.

Garba and Abubakar, (2014) researched sex, ethnic diversity and board estimate. Chosen 12 recorded protection firms, utilizing information time of 2004-2009 which were broke down utilizing attainable summed up least square regression and arbitrary impacts estimators. Results demonstrated a positive connection between the foreign executives and firms' performance; however ethnic diversity had no critical effect on firms' performance.

Marimuthu and Kolandaisamy (2009) examined the effect of demographic diversity on firm performance of listed companies in Malaysia. Their results suggest that board diversity is not relevant to firm performance.

Ogboi, Aderimiki and Enilolobo (2018) investigated the relationship between corporate board diversity and performance of quoted deposit money banks in Nigeria. The aspects of board diversity studied consist of gender diversity, ethnic diversity, board composition, and foreign directorship. Return on asset (ROA) and Tobin Q were used as performance indicators. The fixed effect Generalized Least Square Regression was used to examine the effect of board diversity on bank performance for the period: 2011-2015. Results showed that gender diversity and board composition was positively linked to financial performance, while ethnic diversity and foreign directorship were not significantly related to financial performance. Gordini and Rancati (2017) study the Italian corporation about board diversity measured with the percentage of women on board which has a positive impact to the financial performance measured with Tobin's Q.

Methodology

The research design to be employed for this study is the Ex-post Facto research design, in order to establish the effect of corporate board diversity on audit quality. This study used Ex-post facto research design because data for the analysis was derived from published annual financial reports and account of food and beverages firms listed on the Nigeria Exchange Group (NGX) as at December, 2021. The Population of the study consists of fifteen (15) food and beverages firms listed on the Nigeria Exchange Group (NGX) as at December, 2021. The companies include: Champion Breweries Plc, Golden Guinea Breweries Plc, Guinness Nigeria Plc, International Breweries Plc, Nigerian Breweries Plc, Cadbury Nigeria Plc, Dangote Sugar Refinery Plc, Flour Mills of Nigeria Plc, Honeywell Flour Mill Plc, Dangote Flour Mills Plc, Nestle Nigeria Plc, Northern Nigeria Flour Mills Plc, PZ Cussons Nigeria Plc, Unilever Nigeria Plc, Morison Industries Plc. Purposive sampling technique was adopted in selecting the eleven (11) listed food and beverage firms which form the unit of analysis for this study. This technique enables the researcher to conveniently select food and beverage firms that have complete data in the annual report and account for the period of ten years spanning from 2012 to 2021; firms whose stock are actively traded on the floor of Stock Exchange for the period of study; firms that consistently filed their annual report and accounts for the study period. The selected firms are: Nestle Nigeria Plc, Guinness Nigeria Plc, PZ Cussons Nigeria Plc, Cadbury Nigeria Plc, Flour Mills of Nigeria Plc, Dangote Sugar Refinery Plc, International Breweries Plc, Nigerian Breweries Plc, Unilever Nigeria Plc, Honeywell Flour Mill Plc, Morison Industries Plc. The Ordinary Least Square (OLS) statistical technique was adopted in the analysis of data. This method was adopted because it enabled the researcher to examine the effect of corporate board diversity on audit quality. The analysis was done in sections: descriptive statistics for the variables (mean, standard deviation, minimum and maximum value); Analysis of Variance (R^2, R^2 adjusted, f-test, t-test and Dw test); and Pearson Correlation Coefficient. The statistical procedures were programmed using SPSS 20.0 software for windows.

Model Specification

This study adapts Vincent, Ovbiebo and Evbota (2019) model stated as:

AUDQUAit = β0 + β1BGDERit + β2ETHDERit + β3FORDIRit + β4MAUDCit + Uit.

They used variables such as Discretional Accrual as proxy for audit quality while Board Gender Diversity, Ethnic Diversity of the board, Foreign Directorship of the Board and Male Audit Committee Membership were used to proxy board diversity. Our study modified the study as follows:

AUQTit = β0 + β1ETHDIit + β2AGDIit + β3EDIit + Uit.

Where:
SEEDI = Experience Diversity
AUQT = Audit Quality
ETHDI = Ethnicity Diversity
AGDI = Age Diversity
β0 = Intercept Coefficient
β1, β2, β3 = The slope of coefficient
t = Time dimension of the variant
i= (1, 2,. . . 11) is the given food and beverage firms

Table 3.1: Measurement of Variables

Variable type	**Indicators**	**Measurement unit**	**Variable symbol**
Independent variables (Corporate board diversity)			
	Ethnicity diversity	Number of foreign Nationality on board Divided by the total number of board size.	ETHDI
	Age diversity	Number of Directors within the age of 5 year and below divided by the total number of board size	AGDI
	Experience diversity	The percentage of those holding a certificate in Accounting or financial or related certificates to the total number of members of the board.	EDI
Dependent variables (Audit Quality)			
	Audit Fees	Money paid to external auditor for their service.	AUQT

Source: Researcher, 2023

Data Presentation and Analysis

With the aid of SPSS 20.0, the researcher used the data in Appendix i and computed the mean, standard deviation and variance which form the descriptive statistics for both the dependent and the independent variables. The result of the computation is presented below:

Table 4.1.1 Descriptive Statistics

	Minimum	Maximum	Mean	Std. Deviation	Variance
	Statistic	Statistic	Statistic	Statistic	Statistic
Experience Diversity	.00	.45	.3039	.07690	.006
Audit Quality	1500.0	208517.	35496.9273	34774.53300	1209268145.151
Ethnicity Diversity	.00	.75	.3974	.15600	.024
Age Diversity	.13	.44	.2651	.10499	.011
Valid N (list wise)					

Source: Extract from SPSS output

Table 4.1.1 reports for audit quality among selected listed food and beverage manufacturing firms between 2010 to 2019 range from 15 % to 20% and with the average value of 35% and standard deviation of 34774 indicating that on average, 35% of the sample population maintains good audit quality. Experience Diversity for sample population varies between 00% to 45% with the standard deviation of 07690 and the average value is 30%.Ethnicity Diversity varies between 00% to 75% with the standard deviation of 15600 and the average value is 3974. The result shows that age diversity varies among the sample population with the minimum of 13% to maximum of44%., while the standard deviation is 10499 indicating the average value of 2651.

Test of Hypotheses

Test of hypothesis One

Ho1: Ethnicity diversity has no significant effect on audit quality of listed food and beverage firms in Nigeria.

HO2: Ethnicity diversity has significant effect on audit quality of listed food and beverage firms in Nigeria.

Table 4.2.1a: ANOVA Result: ethnicity diversity on audit quality

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	311196835.889	1	311196835.889	.256	.614[b]
	Residual	131499030985.529	108	1217583620.236		
	Total	131810227821.418	109			

a. Dependent Variable: Audit Quality

b. Predictors: (Constant), Ethnicity Diversity

Source: Extract from SPSS output

Table 4.2.1b: Regression coefficient for ethnicity diversity on audit quality

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	39800.875	9140.323		4.354	.000
	Ethnicity Diversity	-10831.505	21424.990	-.049	-.506	.614

a. Dependent Variable: Audit Quality
Source: Extract from SPSS output

Table 4.2.1c: Model summary for ethnicity diversity on audit quality

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.049[a]	.002	-.007	34893.89087	.371

Note : $r^2 = .002$, f (1,108) = .256, p = .614
Source: Extract from SPSS output

The *f* – ratio (0.256) shows that ethnicity diversity is not the main determinant of audit quality among listed food and beverage firms in Nigeria. Ethnicity diversity is not statistically significant because its significance value is 0. 614. This means $P > 0.05$. Based on the analysis above, the alternative hypothesis (Hi) is rejected while null hypothesis (Ho) is accepted; which state that ethnicity diversity has no significant effect on audit quality of listed food and beverage firms in Nigeria

Test of hypothesis Two

H₀: Age diversity has no significant effect on audit quality of listed food and beverage firms in Nigeria.

H₁: Age diversity has significant effect on audit quality of listed food and beverage firms in Nigeria.

Table 4.2.2a: ANOVA Result: age diversity on audit quality

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2740421198.802	1	2740421198.802	2.293	.133[b]
	Residual	129069806622.616	108	1195090802.061		
	Total	131810227821.418	109			

a. Dependent Variable: Audit Quality
b. Predictors: (Constant), Age Diversity
Source: Extract from SPSS output

Table 4.2.2b: Regression coefficient for age diversity on audit quality

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	48160.028	8988.575		5.358	.000
	Age Diversity	-47759.071	31538.981	-.144	-1.514	.133

a. Dependent Variable: Audit Quality
Source: Extract from SPSS output

Table 4.2.2c: Model summary for age diversity on audit quality

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.144[a]	.021	.012	34570.08536	.348

Note : $r^2 = .001, f(1,108) = .293, p = .133$
Source: Extract from SPSS output

The *f* – ratio (1,108) shows that age diversity is not the main determinant of audit quality of listed food and beverage firms in Nigeria. Age diversity is responsible for 2.29% variation in audit quality. Age diversity is not statistically significant because its significance value is 0. 133. This means $P > 0.05$. Based on the analysis above, the alternative hypothesis (Hi) is rejected while null hypothesis (Ho) is accepted; which state that age diversity has no significant effect on audit quality of listed food and beverage firms in Nigeria.

Test of hypothesis Three

H_o: Skill, expertise and experience diversity has no significant effect on audit quality of listed food and beverage firms in Nigeria.

H_1: Skill, expertise and experience diversity has no significant effect on audit quality of listed food and beverage firms in Nigeria.

Table 4.2.3a: ANOVA Result: Experience diversity on audit quality

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	105978122.654	1	105978122.654	.087	.769[b]
	Residual	131704249698.764	108	1219483793.507		
	Total	131810227821.418	109			

a. Dependent Variable: Audit Quality
b. Predictors: (Constant), Skill, Expertise and Experience Diversity
Source: Extract from SPSS output

Table 4.2.3b: Regression coefficient for Experience diversity on audit quality

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	31600.835	13629.241		2.319	.022
	Skill, Expertise and Experience Diversity	12821.845	43494.107	.028	.295	.769

a. Dependent Variable: Audit Quality
Source: Extract from SPSS output

Table 4.2.3c: Model summary for skill, expertise and experience diversity on audit quality

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.028[a]	.001	-.008	34921.10814	.379

Note : $r^2 = .001, f\ (1,108) = .087, p = .769$
Source: Extract from SPSS output

The *f* – ratio (0.087) shows that skill, expertise and experience diversity among board members is not the main determinant of audit quality of listed food and beverage firms in Nigeria. Skill, expertise and experience diversity is not statistically significant because its significance value is 0.769. This means P > 0.05. Based on the analysis above, the alternative hypothesis (Hi) is rejected while null hypothesis (Ho) is accepted; which state that skill, expertise and experience diversity has no significant effect on audit quality of listed food and beverage firms in Nigeria.

Conclusion & Recommendation

In view of the findings of this study, it can be observed that ethnicity diversity, age diversity and experience diversity does not significantly affect audit quality of listed food and beverage firms in Nigeria. Based on the finding of this study, the following recommendations are made:

i. The study reveals that ethnic mix of individuals from various racial, cultural and religious backgrounds in a board does not significantly affect audit quality therefore ethnicity diversity should not to be considered in corporate board composition.
ii. The study shows that age diversity does not significantly affect audit quality therefore corporate board members can consist of both young and older directors.
iii. The study reveals that skill, expertise and experience diversity has no significant effect on audit quality therefore it should not be made compulsory for board members to have certificate in Accounting, have experience in financial reporting or auditing.

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AUDIT COMMITTEE TRAITS AND THE GROWTH OF FIRMS' REVENUE: EVIDENCE FROM NIGERIAN BANKING INDUSTRY

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Abstract
The role audit committee traits play in promoting revenue growth of banks has been well established in developed economies; however, there seems to be a literature gap on what is known about this research theme in developing economy like Nigeria. Given the literature gap, this paper identified two (2) audit committee traits (audit committee diversity and meetings) and the roles they play in promoting revenue growth of publicly quoted commercial banks in Nigeria. Ex-post facto research design and secondary data were employed; data were obtained from audited financial statements of fifteen (15) commercial banks from 2011-2020. The panel data obtained was dissected using descriptive and inferential statistical tools. Specifically, the fixed and random effect panel data regression indicated that audit committee diversity positively significantly affects revenue growth of banks. Contrarily, we found a negative insignificant effect of audit committee meetings on banks' revenue growth; this result corresponds with agency theory such that increased meetings of audit committee would lead to increased agency cost to bank. In line with the finding, we advocated decreased number of meetings of audit committee, since it has shown to negatively insignificantly affects banks' revenue growth. On the other hand, diversity in the audit committee needs to accommodate the current and future multiplicity of members (male and female members), as well as increasing their numbers since it has shown to positively significantly affects banks' revenue growth.
Keywords: *Audit committee traits; Banks' revenue growth; Commercial banks; Audit committee diversity; Audit committee meetings.*

Introduction

The disclosure in annual reports and accounts is fundamentally one of the tasks of the board of directors; though carried out by management on behalf of the board. At the culmination of this task, an independent examiner (known as the external auditor – audit committee) verifies the numbers in the annual reports and accounts to ensure the reliability and trustworthiness of information. Thus, audit committee plays a central role in financial reporting and in assessing the growth of the firm. In the views of Osevwe-Okoroyibo and Emeka-Nwokeji (2021), audit committee traits enhance financial reporting outcomes (like performance and growth in revenue) on grounds of reliability and trustworthiness of information.

Bouaine and Hrichi (2019); and Dakhlallh, Rashid, Abdullah and Al Shehab (2020) asserted that the primary aim of the audit committee is to watch over the financial reporting and auditing processes, as well as monitoring management inclination to tweak numbers denoted in financial statement. Mohammed, Flayyih, Mohammed and Abbood (2019); and Orjinta and Ikueze (2018) see audit committee as members of the firm who take active roles in controlling the financial reporting and auditing processes of the firm. Equally, audit committee traits are the attributes describing audit committee; these traits can take numerous forms like audit committee meetings, size, expertise, diversity in gender, independence, etc (Qeshta, Alsoud, Hezabr, Ali & Oudat, 2021; and Okeke, 2021).

On the other hand, the firm revenue growth is the nature of the progression in the profit or income of the firm as compared with the present and past. Firm revenue growth encompasses but not limited to changes in the growth of turnover, profits or incomes. Prior studies had found a relation between audit committee traits and firm performance; however, there is lack of empirical studies on the relationship between audit committee traits (like audit committee diversity and meetings) and firms' revenue growth in Nigeria. Given the above identified gap, this study was carried out to assess the relationship between audit committee traits and firms' revenue growth of publicly quoted commercial banks in Nigeria from 2011-2020.

The remaining part of the paper is divided as follows: review of related literature, materials and methods, results, conclusion and recommendations.

Review of Related Literature

Conceptual Reviews

Audit Committee Traits

The need for audit committee in a firm cannot be overemphasized; however, despite audit committee presence in the firm, financial scandals have continued to thrive in the business environment, which have led to the demise of most firms, thus raising concern on the effectiveness of audit committee (Musfiqur, Mohammad & Chaudhory, 2019; and Alqatamin, 2018). The sole question of this study is whether certain audit committee traits which are linked with audit committee effectiveness lead to improved firm revenue growth in Nigerian banking subsector.

The traits refer to the attributes that portray the nature of the audit committee. According to Glover-Akpey and Azembila (2016); and Zraiq and Fadzil (2018), the traits can take diverse variants like meetings, size, independence, diversity, remuneration, among others. The audit committee traits explored the most in the literature relates to audit committee size, audit committee independence, audit committee remuneration, audit committee and financial expertise (Mohammad, Kanon & Hossain, 2021; Baioco & José, 2017; and Bansal & Sharma, 2016).

Furthermore, to the researcher knowledge there is paucity of empirical studies on the relationship between audit committee traits like audit committee diversity and audit committee meetings and their relationships with firm revenue growth of deposit money banks in Nigeria. Given the lack of studies in this area, this study seeks to assess the relations between audit committee traits (audit committee diversity and audit committee meetings) and firm revenue growth of deposit money banks in Nigeria from 2010-2020.

Firm Revenue Growth

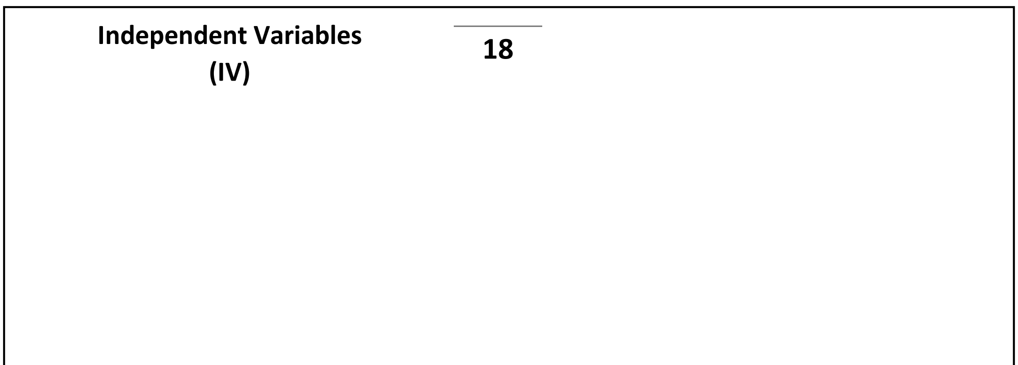
Realistically, growth is vital to all firms, reason being that attracting and retaining quality management, being economically robust, aiding competitive advantage, productivity, market share and meeting consumers' needs are specific goals firms seek to realize. For corporate firms to realize growth, certain actions are requisite; recognizing operational problems, targets, products quality (Galal, Soliman & Bekheit, 2022)

Galal, *et al* (2022) observed that revenue growth is what most firms experience over a given accounting period. Firm revenue growth assesses the level of efficiency of management in putting into use the resources of the organization (Gala, *et al* 2022; and Rahman, Meah & Chaudhory, 2019). Firms' revenue growth was gauged by means of percentage change in the revenue growth rate of current year revenue minus prior year's revenue scaled by prior year's revenue. This measure of firm revenue growth is likened to that used in the study of Galal, *et al* (2022).

Theoretical Underpinning

This study is centered on the agency paradigm, which was advocated by Jensen and Meckling. The paradigm advocates the relationships between self-interest of wealth owners (principals) and management (agents); it advocates that the agents (management) can strain information they disclose to the principals during the business processes, resulting to information asymmetry between the principals and agents, resulting to what is termed as the 'agency conflict'. The duty of the audit committee therefore is to offer credible information during the audit process for the principals, resulting in effective management (Jensen & Meckling, 1976), and conceivably growth of the firm.

In furtherance of the audit committee duty, dissemination of reliable and more trustworthy information to shareholders may reduce agency conflict with interests of shareholders being protected and maximized. The justification for the use of agency paradigm is connected with the fact that to reduce information asymmetry or agency conflict, owners of wealth employs the services of the audit committee in order for them to know whether the firm is growing or declining. Thus, the principals require the services of the audit committee for them to be reassured that their wealth is maximized or in safe hands with the agents. Consequently, we thus conceptualize the model of audit committee traits and firm revenue growth as follows:



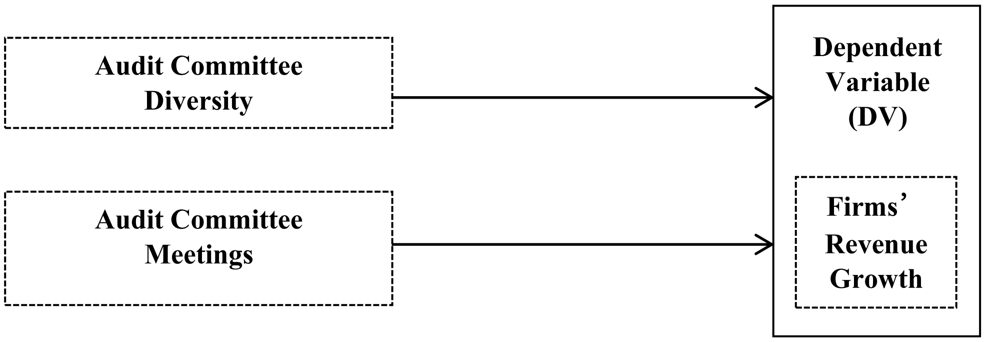


Figure 1: Conceptualized Study Model
Source: Researcher (2022)

Materials and Methods

In this story, we evaluated the connection between audit committee traits and the growth of firms' revenue among publicly quoted Nigerian commercial banks. *Ex-post facto* research design and a population of twenty-three (23) commercial banks publicly quoted on the Nigerian Exchange Group (NGX) were employed. The study used the purposive sampling approach in selecting fifteen (15) commercial banks. Secondary data of audit committee meetings, and diversity (independent variables) and revenue growth (dependent variable) were obtained and computed from annual financial statements from 2011-2020. The study's empirical model is as follows:

$$RevGrr = f(Acd, Acm) \qquad eq.1$$
$$RevGrr_{it} = \beta_0 + \beta_1 Acd_{it} + \beta_2 Acm_{it} + \mu_t. \qquad eq.2$$

Notably, *RevGrr* is revenue growth rate of commercial banks (denoted as existing year's revenue - prior year's revenue scaled by prior year's revenue); *Acd* is audit committee diversity (proportion of males and females in the audit committee); *Acm is* audit committee meetings (number of times members of audit committee attend meetings); ,β_1, β_2 is model regressors; while μ_t is the stochastic error term.

The empirical model of the study is likened to those employed in the studies of Galal, *et al* (2022); and Kipkoech and Rono (2016). Analysis was done using descriptive and inferential statistical tools. Specifically, the basis for assessing whether a connection exists between the audit committee traits (audit committee meetings and diversity) and firms' revenue growth was based on the fixed effect (FE) and random effect (RE) panel regression. A-priori expectations are that audit committee traits will lead to an increase in firms' revenue growth.

Results

Table 1: Descriptive Statistics Summary

Parameters	*RevGrr*	*Acd*	*Acm*
Mean	3.8433	2.7827	0.7943
Maximum	17.110	9.0000	7.0000
Minimum	-31.66	0	4.0000
Standard Deviation	5.4093	2.6673	0.1901
Skewness	0.4023	0.4863	0.3932
Kurtosis	3.0330	2.4936	2.7541
Counts	150	150	150

Source: Computed via STATA 13.0 Application

Table 1 revealed that all the variables (*RevGrr, Acd* and *Acm*) had no negative average; this may be due to the period investigated which is characterized by the transition to the international financial reporting standards (IFRSs) for most of the commercial banks. The standard deviation is 5.4093 (*RevGrr*), 2.6673 (*Acd),* and 0.1901 (*Acm*). Besides, audit committee traits (committee meetings and diversity) showed no signs zero (0) skewness and more so, all the variables skewed to right; an indication of that the audit committee traits moved in the same direction with the revenue growth of commercial banks. In addition, the variables showed signs of normal distribution since kurtosis values are nearer to three (*RevGrr* = 3.0330; *Acd*=2.4936; *Acm*=2.7541). Impliedly, there is evidence of normal distribution in the data of audit committee traits and firms' revenue growth.

Table 2: Summary of Pearson Correlation

	RevGrr	*Acd*	*Acm*
RevGrr	1.0000		
Acd	0.0439	1.0000	
Acm	-0.0081	-0.0068	1.0000

Source: Computed via STATA 13.0 Application

The result of Pearson correlation coefficients (PCC) revealed that audit committee trait (*Acd*) is positive while *Acm* is negative; these results are clear indications that while there is positive connection between *Acd* and *RevGrr,* a negative connection exists between *Acm* and *RevGrr*. Notably, the peek PCC is between *RevGrr* and *Acd* (0.0439); this clearly suggests the absence of multi-collinearity problem in the empirical model of the study.

Table 3: Result of Variance Inflation Factor

Parameters	**VIF**	**1/VIF**
Acd	1.1834	0.8450
Acm	1.1634	0.8595
VIF Mean	1.1734	

Source: Computed via STATA 13.0 Application

The VIF mean is 1.1734 and is not greater than mean VIF benchmark of 10; this signifies non-existence of multicollinearity issue in the study's empirical model. In view of the results in Tables 1-3, we carried out fixed effect (FE) and random effects (RE) panel data regression as presented in Table 4

Table 4: Fixed Effect (FE) and Random Effect (RE) Panel Regression Results

Estimator	**FE (Obs.=150)**		**RE (Obs. =150)**	
Variable	Coef.	Prob.	Coef.	Prob.
Acd	0.0440*	0.0012	0.0446*	0.0000
	(3.86)		(3.95)	
Acm	-0.0453	0.3850	-0.0443	0.2791
	(-1.74)		(-1.90)	
_Cons	0.0020	0.0433	0.0019*	0.0442
	(2.88)		(2.79)	
R-Sq. (within)	0.8360		0.8341	
R-Squared (between)	0.6618		0.7152	
R-Squared (overall)	0.8545		0.8564	

Source: Computed via STATA 13.0 Application (Wald=4.93; Prob.=0.1471; Hausman Prob. =0.1834)

Table 4 captured the FE and RE panel regression results. In Table 4, the R^2 is 0.8545 for FE and 0.8564 for RE, signifying that audit committee traits (*Acd* and *Acm*) explained approximately 85.6% of the systematic variation in revenue growth of commercial banks. The result showed that *Acd* has the highest beta coefficient when RE is employed; beta coefficient for RE is 0.0446 and it is significant at 0.05% level.

The t-test statistics for *Acd* is 3.86 (prob. = 0.0012 < 0.05); an indication that audit committee diversity positively significantly affects revenue growth of banks. On the other hand, t-test statistics for *Acm* is -1.74 (prob. = 0.3850 > 0.05); an indication of a negative insignificant effect of audit committee meetings on revenue growth of banks. This result agrees with agency paradigm that increased meetings of audit committee would lead to increased agency cost to banks. These results agree with prior studies carried out by Galal, *et al* (2022) and Kipkoech and Rono (2016).

Conclusion and Recommendations

Empirical evidences suggest that audit committee traits contribute to the growth of firms' revenue; however, there are mixed findings as regards this research theme in both developed and developing countries. Notwithstanding the mixed results in the accountancy literature, we found that empirical researches are not forthcoming on how certain audit committee traits such as diversity and meetings contribute to commercial banks' revenue growth in Nigeria. Data were obtained and computed from the annual financial statements of thirteen (13) commercial banks publicly quoted on NGX from 2011-2020.

In specific, the result of fixed and random effect panel data regression established that while audit committee diversity positively significantly affects banks' growth in revenue, audit committee meetings was found to negatively insignificantly affect banks' growth in revenue; the negativity in the connection between audit committee meetings has been partly explained by the agency paradigm which was used in this study. On the basis of the findings, we advocated decreased number of meetings of audit committee, since it has shown to negatively insignificantly affects banks' growth in revenue. Also, diversity in audit committee needs to accommodate current and future multiplicity of members (male and female), as well as increasing their numbers since it has shown to positively significantly affects banks' growth in revenue.

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EFFECTS OF ECONOMIC GOVERNANCE ON SOCIO ECONOMIC DEVELOPMENT IN NIGERIA

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Abstract: *The study investigated the impact of economic governance on socio economic development of Nigeria for the period 2005-2019. Economic governance was proxied by effective governance index, corruption control index, quality budgetary and financial management index and public administration index. The dependent variable socio economic development was measured by GDP growth rate. Four objectives were developed to pilot the study. Data were generated from secondary source from the World Bank data base. Analysis was carried out with E-view 10 statistical tool and methods of data analysis include: Augmented Dickey Fuller Unit root test, Autoregressive Distributed Lag (ARDL) model. Results of the unit root showed that data used were stationary, the ARDL regression model revealed that economic governance indices proxied by effective governance index, corruption control index, quality budgetary and financial management index and public administration index have not significantly impacted on GDP growth rate to effect socio economic development in Nigeria for the period in view. The study recommends that Good economic governance which will translate to improved formulation and implementation of sound micro and macroeconomic policies is vital for socio economic development.*
Keyword: *Economic Governance, Governance, budgeting, Corruption and socio-economic development.*

Introduction

It is worrisome to note that Nigeria has existed for over fifty years with little or no record of such socio-economic and political development. This ugly trend is connected with the pervasive corruption noted in the country (Lawal & Tobi, 2006). Although there has been various administrative reforms carried out to ensure sustainable good governance, the gains have not materialized due to corruption among other factors. Over the years, billions and now trillions of naira are budgeted yearly with the aim of improving the living standard of the citizenry through increase in output. These dreams were elusive perhaps due to the failure of government to implement the content of the budget to the latter. As noted by Ogujiuba and Elugiamusoe (2013), budget is supposed to be the most important economic policy instrument: unfortunately, it is shrouded with a lot of myths and illusions which is still not contributing to the economic growth and development of the country.

Inefficiency in public administration has been a matter of concern in most developing countries. Despite the fact that Nigeria is a country blessed with enormous material resource like oil, yet their socio-economic development is still very low. One of the major explanations for the failure of all development programmes in Nigeria has been the absence of effective accountability and transparency that would ensure good governance. Indeed, the socio-economic and political development of a country depends on its ability to entrench and sustain good economic governance which is expressed in a committed, patriotic and disciplined leadership with a vision to advance in the quest for national development.

Obviously, the improvement in economic governance indicators in Nigeria, has been slow and below the average level of assessment. Various factors are said to be responsible for this current status, of which lack of good governance is seen to be the most prominent among many others. Many political and economic scholars argue that good governance is one of the main factors, not only for the democratic development of the country, but it is also one of the primary factors in the economic growth and socio economic development.

In the last three years, the Federal Government has budgeted for over 16 trillion naira without much on ground to show for it (CBN, 2016). If we combine the budgets of the 36 states and that of the Central Government in the last 3 years, it amounts to hundreds of trillions of naira. Perhaps such questions as, what have we to show for these trillions of naira budget in terms of critical infrastructure, employment opportunities, poverty reduction, debt reduction amongst others will arise? Weak economic governance especially on area of quality public administration, quality budgetary and financial management, corruption control and overall government effectiveness has continued to be one of the key factors hindering growth and socio-economic development in Nigeria. It is on these notes, that this study was conceived with the following objectives.

1. Impact of quality budgetary and financial management Index on GDP growth rate in Nigeria.
2. Effect of governance effectiveness Index on GDP growth rate in Nigeria.
3. Impact of quality public administration Index on GDP growth rate in Nigeria.
4. Effect of quality corruption control Index on GDP growth rate in Nigeria.

Research Hypotheses

In line with the objectives the following hypotheses were stated to guide the study.

H_{O1}: Quality budgetary and financial management Index have no significant impact on GDP growth rate in Nigeria over the period in view

H_{O2}: Governance effectiveness Index has no significant effect on GDP growth rate in Nigeria over the period in view

H_{O3}: Quality public administration Index has no significant impact on GDP growth rate in Nigeria over the period in view

H_{O4}: Quality corruption control Index has no significant impact on GDP growth rate in Nigeria over the period in view.

The paper is organised as follows' the next section reviews relevant literature with regards to context justification and provide a theoretical background for the study, respectively. Next describes the sample data and empirical methodology. The last section summaries the main results, offers conclusion and recommendations.

Review of related literature

Conceptual Reviews

Economic Governance

Sub-Sahara African countries have had a checkered past when it comes to good governance and institutions. Increasingly, economists and policy makers are recognizing the importance of governance and institutions for economic growth and development. The New Partnership for Africa's Development (NEPAD) has four main goals: eradicating poverty, promoting sustainable growth and development, integrating Africa into the world's economy, and accelerating the empowerment of women. Economic governance means the policy and regulatory settings that governments adopt to manage the economy. It includes the system and procedures established by institutions to achieve union objectives in the economic field, namely the coordination of economic policies to promote economic and social progress for the citizens.

In addition, Economic governance refers to the policy and regulatory settings that governments adopt to manage the economy. Economic governance encompasses two broad areas of public policy: macroeconomic (including aggregate fiscal) management and microeconomic management (relating to the policies that determine the private-sector operating environment, including business licensing procedures and contract enforcement processes).

Government effectiveness includes the quality of government service, competent policy formulation and its ability in implementation of the desired policy (Kaufmann, Kraay and Mastruzzi, 2010). Regulatory quality is also a complementary governance indicator for government effectiveness, describing the capacity of governments to take effective policy decisions to promote private sector growth (Kaufmann, Kraay & Mastruzzi, 2010).

Governance

The concept of governance has been discussed by political science and public administration researcher for years. According to de Ferranti et al. (2009), "governance describes the overall manner in which public officials and institutions acquire and exercise their authority to shape public policy and provide public goods and services". Similarly, governance has also can be seen as the process of decision-making and the process by which decisions are implemented or not implemented. (United Nations Economic and Social Commission for Asia and the Pacific UNESCAP 2009).

Although consensus exists in terms of defining governance, a common theme among scholars is that governance means more participation in the political and decision-making process by nongovernmental institutions (Agere, 2000; de Ferranti, Jacinto, Ody, & Ramshaw, 2009; Lovan, Shaffer, & Murray, 2004). Thus, under governance, there are many stakeholders managing all the needs of the nation which government is one of them.

The United Nations also introduced characteristics of good governance practices as a global standard to be adopted by governments that receive their aid. According to them, "good governance has 8 major characteristics; it is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive, and follows the rule of law" (UNESCAP, 2009). These criteria are often used by recipient nations to assess how their governments are achieving better governance (Mimicopoulos et al., 2007).

Budgeting and Financial Management

Obviously, government in an attempt to achieve macro-economic goals and objectives of price stability, socio-economic development, stable and full employment, infrastructural development as well as Balance of Payments equilibrium, initiates several types of budget such as Balanced, Surplus, Deficit, development as well as supplementary budget. Meigs and Meigs (2004) defined budget as a comprehensive financial plan, setting forth the expected route for achieving the financial and operational goals of an organization. Budget being an important economic policy instrument for proper financial management of a nation's resources, reflects the government priorities regarding her social and economic policies.

According to Ohanele (2010), a well-functioning budget system is vital for the formulation of sustainable fiscal policy and the acceleration of economic growth. Being a comprehensive income statement of the government, it is arguably a potent tool for the realization of government objectives of achieving economic growth and development. Generally, for a budget to perform its obligation, it must possess some important qualities. Falete and Myrick in Olaoye et al (2017) identified four basic qualities – it should be well designed, effectively and efficiently implemented, adequately monitored and finally its performance should be evaluated. It could therefore be deduced that the essence of budget is not in its formulation or initiation but in its implementation which is aimed at meeting the needs and aspirations of the people.

A well implemented budget helps to translate government campaign promises, policies and programs into outcomes that have a direct bearing on the people such as provision of employment opportunities, poverty reduction as well as development of critical infrastructure such as roads, water, electricity, hospitals, schools etc. for the good of the people (Nwaorgu & Nnubia, 2016).

In Nigeria, the reality on ground is that there have been many cases depicting the lack of accountability and barefaced corruption in the conduct of public fiscal affairs. Funds meant for development and good governance are diverted to personal accounts via corruption in high places. According to Waziri (2009), revelations in the past, as given by the EFCC in the war against corruption pointed to the fact that Nigeria is faced with a major crisis of transparency and accountability. Sadly, the entrenched culture of corruption in the financial management is being enhanced by bureaucratic secrecy, which encourages the management of public funds by public officials and cronies that account to no one but himself or herself.

Corruption

Nigeria as a country is still battling with the problem of good governance, despite her long years of independence. Above all, the leadership of the country is known with gross lack of vision, gross corruption among many others which has become a threat to the nation's survival (Kuffuor, 2009; Nwaorgu & Nnubia, 2016). Obviously, corruption has eaten deep into every segment of the Nigerian society. This is why Ogundiya (2009), in his opinion said that corruption is a huge challenge in the Nigerian public administration. This statement can be confirmed from the revelations of many probe panels that have been set up at different regimes in the country. Corruption has indeed robbed Nigerians of the benefit of good governance. Ogundiya, (2008) asserted that Nigeria had lost some US$380 billion to corruption between independence in 1960 and the end of military rule in 1999. In addition, some western diplomats estimated that Nigeria has lost a minimum average of "$4 billion to $8 billion per year to corruption over the eight years of the Obasanjo administration". That figure would equal between 4.2% and 9.5% of Nigeria's total GDP in 2006 (HRH, 2007). This reckless drainage of common wealth has been responsible for the socio-economic stagnation and bad governance witnessed in all the sectors of the national life.

Indeed, Corruption is the major reason for the insolvable problems of hunger, poverty, diseases the general acute development tragedy in Nigeria (Ogundiya, 2009). Seriously, corruption has hindered the growth and effective budgeting, control and utilization of resources to ensure good public administration in the country.

Furthermore, the CLEEN Foundation (2010) gave other effects of corruption as lack of development, infrastructural decay, and mediocrity in leadership. Other visible signs are; fuel scarcity in an oil-producing nation, then fallen standards of education and work output, high rates of unemployment and the ever widening gaps between the rich and poor among other factors. At the international level, corruption manifests in tarnishing the image of the country and the caution exercised by foreign nationals in business transactions with Nigerians, thereby weakening the economic sector. Bureaucratic corruption in particular has been responsible for the mismanagement of public resources, economic setback as a national heritage etc (Imokhuede, Lawal & Johnson, 2012). Corruption, which was compounded during the several years of military misrule, has become institutionalized thereby obstructing progress in every facet of the country's political and socio-economic life. The result has been the paradox of mass poverty amidst rich natural resources (CLEEN Foundation, 2010).

Socio-Economic Development

Socio-economic development is a product of development and can be defined as the process of social and economic transformation in a society (Okoye et al 2022; Nnubia & Obiora, 2018). Socio-economic development embraces changes taking place in the social sphere mostly of an economic nature (Nnubia Egbunike Akaegbobi & Okoye, 2021). Thus, socio-economic development is made up of processes caused by exogenous and endogenous factors which determine the course and direction of the development. Socio-economic development is measured with indicators, such as gross domestic product (GDP) which is the sum total of all the goods and services produced in the country within a specific period of time usually one year, by both citizens and foreigners in the country alike, life expectancy, literacy and levels of employment. Changes in less-tangible factors are also considered, such as personal dignity, freedom of association, personal safety and freedom from fear of physical harm, and the extent of participation in civil society. Moreover, Causes of socio-economic impacts are, for example, new technologies, changes in laws, changes in the physical environment and ecological changes. Scholars have identified strong links between security and development since the cold war ended (Nwanegbo & Odigbo, 2013; Chandler, 2007).

However, Lower development indicators, such as corruption, poor budgetary and financial management, weak state institutions and limited regulatory capacity among others, have impaired the rule of law, allowed resources to be diverted and illegal acts to thrive thereby undermining the integrity of institutions (Nnubia, et al., 2022).

Theoretical Framework

The study on impact of economic governance on socio-economic development is hinged on the theory of social contract.

Social Contract Theory

Social contract theory was introduced by early modern thinkers Hugo Grotius, Thomas Hobbes, Samuel Pufendorf, and John Locke the most well-known among them as an account of two things: the historical origins of sovereign power and the moral origins of the principles that makes sovereign power just and/or legitimate. It is often associated with the liberal tradition in political theory, because it presupposes the fundamental freedom and equality of all those entering into a political arrangement and the associated rights that follow from the principles of basic freedom and equality. Basically, social contract theory talks about the imperative of surrendering people's power over their lives and properties, to others in the same society who in turn are responsible for providing for, and protecting the people and the society at large.

Thus, relating this theory to this study, government should be concerned with the provisions of most general and fundamental needs of the people, and likewise the dynamics of political, economic and security needs of the society. Most scholars are optimistic that good governance gives better future for development. Those optimistic about the profits of good governance argue, for instance, that quality in the area of budgetary and financial management, corruption control and effective public administration offers better prospects to actualize the developmental aspirations of the citizenry.

Empirical Review

Some studies related and relevant to the research work have been reviewed. Such studies include: Nnubia, Okafor, Chukwunwike, Asogwa and Ogan (2020) analyzed the impact of e-tax assessment on income generation in Nigeria. The examination applied secondary data gotten from Federal Inland Revenue Service tax report and CBN Statistical release and Quarterly Economic Reports. These information were time arrangement information covers the period from first quarter of 2012 to second quarter of 2018. The information gathered were broke down utilizing Ordinary Least Square Method. The outcomes show an idealistic huge impact of pre (before the starter of e-tax assessment) company income tax and value added tax on income generation in Nigeria and a contrary immaterial impact of post organization annual duty income and value added assessment income on revenue generation in Nigeria (after the appearance of e-tax collection) at 5% level of critical. This implies E-tax collection has not contributed decidedly to both company income tax revenue and value added tax revenue generation in Nigeria; though there is an unwanted immaterial impact of pre and post capital gain charge income on income generation in Nigeria at 5% level of noteworthy. This implies E-tax collection has not contributed decidedly to capital gain charge generation in Nigeria.

Jiandang, Jie, Zhou and Zhijun (2018) in their paper investigated the impact of governance quality economic growth in China. After developing a theoretical framework for the effect of governance quality on local economic growth, this article studies the panel data in provincial governance, and checks the robustness of the empirical findings from four aspects. The results show that governance quality has a positive effect on economic growth, due to good governance strengthening the helping hand or weakening the grabbing hand of power. Governance quality presents diminishing marginal returns, which means that the high-speed economic growth effect becomes less and less, while the high-speed economic development effect becomes more and more. Higher governance quality could bring a high-speed economic growth effect in the western region, while higher governance quality could bring a high-quality economic development effect in the eastern region. Compared with fixed-asset investment, human capital has played a more important role in economic growth. In order to promote the sustainable development of China's economy, policy makers should improve local governance quality, strengthen the capacity of independent innovation, and promote the accumulation of high-quality human capital.

Adefeso and Tunde (2016) examined the impact of governance administration on economic development in a relative opened economy, Nigeria. The study employed cointegration approach on the secondary data which were obtained from Statistical Bulletin published by Central Bank of Nigeria and World Development Indicator (WDI) from 1970-2014. The result showed that there is a long-run relationship among the variables employed. The statistical significant of the positive coefficients of governance administration index (GI) indicated that its previous year has positive and significant impact on economic development in the current year of the Nigerian economy with relative small magnitude of less than 0.05% impact on economic development compared with the developed economies of the world. Also, contrary to our expectation, the result revealed that tax revenue (LTAX) is negatively related with economic development indicating that its previous year has negative and significant impact on economic development in the current year of the Nigerian economy. The study therefore, concluded that the cost of governance administration and the nature and quality of service delivery needed to be examined for meaningful economic progress in Nigeria.

Engjell Pere (2015) investigates the impact of good governance in the rates of economic growth of GDP. The article adopts a quantitative methodology approach, i.e. an econometric model based on the examination of a panel – data of good governance indicators for Western Balkan countries for the period 1996 – 2012. The analysis concentrates on Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro and Serbia.

Bichaka and Christain (2013) investigates the role of governance in explaining the sub-optimal economic growth performance of African economies. Our results suggest that good governance or lack thereof, contributes to the differences in growth of African countries. Furthermore, our results indicate that the role of governance on economic growth depends on the level of income. In a nutshell, our results demonstrate that without the establishment and maintenance of good governance, achieving the goals of NEPAD will be hampered in Africa.

Bassam (2013) in his work examined whether the strong relationship between governance and growth exists during economic crises or only during non-crisis periods. The results of the current paper demonstrate that the global economic crisis has had an unnoticeable influence on the relationship between governance and economic growth. However, this study found that different levels of development of nations affect the relationship between governance and growth in various ways during times of crisis. Thus, the results of the current paper highlight the instability in the relationship between governance and economic growth during the economic crisis; this unsteadiness is a sign of the need for long-term strategies to promote global and national good governance practices that are not adversely affected by crises.

Methodology

The study adopted the Ex-post facto research design. It is a quasi-experimental study examining how an independent variable affects the dependent variable. The design aimed at investigating the impact of economic governance on socio economic development in Nigerian economic development for the period 2005-2019. Secondary data were used, relevant data were sourced from the world bank data bank. Multiple linear regression analysis was used to analyze the relationship between the dependent variables and the explanatory variables of the study.

Model Specification

A linear relationship is established between socio economic development proxied by Nigerian GDP growth rate the dependent variables, and economic governance were proxied by Quality budgetary and financial management index (BFMI), Quality public administration index (PADMI), Corruption control index (CCI) and Governance effectiveness Index (GEFI) the independent variables. The model is specified thus:

GDPGR = {BFMI, PADMI, CCI, GEFI}

The model is expressed in the econometric form below:

$GDPGR = \beta_0 + \beta_1 BFMI + \beta_2 PADMI + \beta_3 CCI + \beta_4 GEFI + U_t$

β_0 = Intercept of the model.

β_1, β_2, β_3, β_4 = Parameter Estimates.

GDPGR = Gross domestic product growth rate

BFMI = Quality budgetary and financial management index

PADMI = Quality public administration index

CCI = Corruption control index.

GEFI = Governance effectiveness Index

The following statistical and econometric techniques were employed in the study.

Unit Root Test

The test enables us to verify whether the time series employed in analysis is stationary. The unit root test has to be conducted first because without it, if the regression analysis is conducted in the traditional way and time series variables are found to be non-stationary the result will be spurious. The ADF unit root test will be employed.

Long Run and Short Run Estimation of the ARDL Model

The short run equation in our model is given as follows

$D(GDPGR)_{t-1} = \beta_0 + \beta_1 D(BFMI)_{t-1} + \beta_2 D(PADMI)_{t-1} + \beta_3 D(CCI)_{t-1} + \beta_3 D(GEFI)_{t-1}$ ECM(-1). ‘’D’’ represents the first difference operation of the variables, ECM (-1) is the one period lag of the model residual. The parameters ***β_1 to β_4*** are the short run coefficients of the model while the coefficient of ECM (-1)is the long run speed of adjustment of the model. The sign of the coefficient of ECM (-1)should be negative and significant as well for holding the long run equilibrium.

Data collected is processed and analyzed with E-view 10 analytical tool.

4. Data Presentation, Analysis and Discussion of Results

Table 1.0: Data for Analysis on Social Economic Development and Economic Governance Variables.

Year	GDPGR	BFMI	PADMI	GEFI	CCI
2005	4.282	3.5	2.5	21.81	10.24
2006	4.152	3.5	2.5	13.79	7.31
2007	5.075	3.5	3	15.29	13.1
2008	3.435	3.5	3	18.1	17.21
2009	-3.292	3.5	3	12.57	14.35
2010	4.41	3.5	3	12.44	13.09
2011	6.131	3.5	3	14.21	10.42
2012	6.496	3.5	3	18.25	10.9
2013	4.926	3.5	3	18.24	8.53

Year	GDPGR	BFMI	PADMI	GEFI	CCI
2014	4.786	3.5	2.5	27.85	7.93
2015	4.792	3.5	2.5	22.59	13.46
2016	4.562	3	2.5	10	15.44
2017	4.63	3	2.5	10	13.46
2018	-3.949	3	2.5	15.86	14.18
2019	-3.879	3	2.5	15.86	14.18

Source: World Bank effective governance indicator databank.

Data Analysis

Stationary Test

Table 1.1 Augmented Dickey Fuller Unit Root Test Result

Variable	ADF Statistics	Critical Value	Order of Integration	Remark
GEFI	-3.125126	-3.119910	1(1)	Stationary at 1st difference
BFMI	-3.605515	-3.119910	1(1)	Stationary at 1st difference
PADMI	-3.316625	-3.119910	1(0)	Stationary at level
CCI	-3.328171	-3.119910	1(0)	Stationary at level
GDPGR	-3.426059	-3.212696	1(1)	Stationary at 1st difference

Source: Authors extracted from E-View 10

The ADF unit root test result of the table 1.1 above shows that at level, 1(0), the absolute value of the ADF statistic of Public administration index (PADMI) and Corruption control index are is greater than the reported critical values of thus we conclude that the two variables are stationary at level that is integrated at order I(0). At first difference, 1(1), the absolute values of the ADF statistics of governance effective index (GEFI), Quality budgetary and financial management index (BFMI), Public administration index (PADI) and Gross domestic growth rate (GDGR) are greater than their reported critical values of -3.119910 (in absolute term) at 5% level of significance, thus it is concluded that the three explanatory variables are stationary at first difference.

Autoregressive Distributed Lag (ARDL) Short Run Regression
Table 1.2

Dependent Variable: GDPGR
Method: ARDL
Date: 07/15/21 Time: 13:08
Sample (adjusted): 2006 2019
Included observations: 12 after adjustments
Maximum dependent lags: 1 (Automatic selection)
Model selection method: Akaike info criterion (AIC)
Dynamic regressors (0 lag, automatic): CCI BFMI GEFI PADMI
Fixed regressors: C

Variable	Coefficient	Std. Error	t-Statistic	Prob.*
GDPGR(-1)	0.494266	0.334627	1.477064	0.1901
CCI	-0.010874	0.645032	-0.016858	0.9871
BFMI	7.104650	3.893827	1.824593	0.1179
GEFI	-1.089850	0.648003	-1.681859	0.1436
PADMI	-0.904286	2.175105	-0.415744	0.6921
C	-3.994901	3.725666	-1.072265	0.3248

R-squared	0.719613	Mean dependent var	1.311997
Adjusted R-squared	0.485957	S.D. dependent var	0.634105
S.E. of regression	0.454633	Akaike info criterion	1.568200
Sum squared resid	1.240147	Schwarz criterion	1.810654
Log likelihood	-3.409203	Hannan-Quinn criter.	1.478436
F-statistic	3.079799	Durbin-Watson stat	2.063192
Prob(F-statistic)	0.101697		

Source: E-view 10

Short run estimates of the model on table 1.2 shows that corruption control index is negatively related to GDP growth rate in Nigeria, a unit increase reduces GDP growth.

Test of Significance with Respect to T-Statistics of the Variables in the Regression Model of Table 1.2

Test of significance of the variables are carried out with respect of the stated null hypotheses which are hereby restated.

H_{O1} Quality budgetary and financial management Index have no significant impact on GDP growth rate in Nigeria over the period in view. Results of the regression model reveal that Budgetary and financial management index has probability value of 0.1179 which is greater than 0.05, this lead to the acceptance of the null hypothesis one.

H_{O2} Governance effectiveness Index has no significant effect on GDP growth rate in Nigeria over the period in view. Results of the regression model in table 4.3 shows that Governance effective index has probability value of 0.1436 which is greater than 0.05, null hypothesis two was accepted.

H_{O3} Quality public administration Index has no significant impact on GDP growth rate in Nigeria over the period in view. Analysis of results of the regression model in table 4.3 shows that the probability value of Public administration index is 0.6921 which is greater than 0.05 the stated null hypothesis three was therefore accepted.
H_{O4} Quality corruption control Index has no significant impact on GDP growth rate in Nigeria over the period in view. Results shows that the probability value of quality corruption index in the regression model of table 1.3 is 0.9871 and therefor insignificant since it is higher than 0.05. This therefore led to the acceptance of the null hypothesis.

ARDL Long Run Regression
The ARDL long run Regression was further carried out to express the long run relationship of the specified model.

ARDL Long Run Regression

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-3.994901	3.725666	-1.072265	0.3248
GDPGR(-1)*	-0.505734	0.334627	-1.511336	0.1815
CCI**	-0.010874	0.645032	-0.016858	0.9871
BFMI**	7.104650	3.893827	1.824593	0.1179
GEFI**	-1.089850	0.648003	-1.681859	0.1436
PADMI**	-0.904286	2.175105	-0.415744	0.6921

Source: E-view 10 (see appendix 8)

Corruption control index
Corruption control index coefficient value of -0.010874 revealed a negative long run relationship between Corruption control index and socio economic development in Nigeria.

Budgetary and Financial Management Index
Budgetary and financial management index has a positive coefficient value of 7.104650 in the long run regression model of table 1.3 Results revealed positive effect Budgetary and financial management index on socio economic development in Nigeria in the long run.

Governance Effective Index
The coefficient of Governance effective index -1.089850 units as displayed in table 1.3 revealed negative long run relationship between Governance effective index and socio economic development in Nigeria.

Public administration index

Public administration index has a negative coefficient of -0.904286 which shows that it is inversely related to socio economic development in Nigeria in the long run.

The Error Correction Model (ECM) Result

Table 1.4

Error Correction Model (ECM) Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CointEq(-1)*	-0.505734	0.138923	-3.640386	0.0108

R-squared	0.502386	Mean dependent var	-0.142023
Adjusted R-squared	0.502386	S.D. dependent var	0.475986
S.E. of regression	0.335769	Akaike info criterion	0.734867
Sum squared resid	1.240147	Schwarz criterion	0.775276
Log likelihood	-3.409203	Hannan-Quinn criter.	0.719906
Durbin-Watson stat	2.063192		

***Source E-view 10*.**

Results of the ECM in table 1.4 shows that the Error Correction Term ECM (-1) is rightly signed with a negative coefficient of -0.505734 with significant T-statistics value of -3.640386 (P-value 0.0108). This explain that about 50.57% of disequilibrium in the short run is corrected every year by changes in Corruption control index, Budgetary and financial management index, Governance effective index and Public administration index in the long run. Results therefor affirm that there is long run causality from the economic governance index to socio economic development.

Summary of Findings

i. Findings revealed that corruption control index has inverse and insignificant impact on Nigeria socio economic development as proxies by the gross domestic growth rate.
ii. It is also observed that quality budgetary and financial management index is positively related to Nigeria socio economic development but has no significant impact for the period in view.
iii. There is indirect relationship and insignificant effect of governance effective index on socio economic development.
iv. Public administration index has no positive relationship with socio economic development, also it has not significantly impacted on socio economic development in Nigeria for the period in view.
v. Results of the Error Correction Model revealed that the speed of adjustment to equilibrium -0.505734. This explain that about 50.57% of disequilibrium in the short run can be corrected every year by changes in corruption control index, quality budgetary and financial management index, Public administration index and governance effective in the long run.

Conclusion

The study concludes that economic governance indices, corruption control index, quality budgetary and financial management index, Public administration index and governance effective has not significantly impacted on Nigerian gross domestic product growth rate to effect socio economic development.

Recommendations

i. Good economic governance which will translate to improved formulation and implementation of sound micro and macroeconomic policies is vital for socio economic development.
ii. Effective budgetary policies and sound financial management strategies should be instituted by all concerned and financial regulatory institutions for socio economic development.
iii. Problem of corruption must be addressed by checkmating the excesses of and enforcing the legal restraints on the authority of government official as well as increase the principle of accountability in governance.
iv. Effective governance index should be carried out by effective governance procedure in both the public and private sector.

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APPRAISAL OF CORPORATE REPORTING REGULATION AND SUSTAINABLE DEVELOPMENT OF AFRICA: EVIDENCE FROM THE 54 SIGNATORIES TO THE AFRICAN CONTINENTAL FREE TRADE AREA

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Abstract
This study investigated the effect of corporate reporting regulation and sustainable development of Africa with evidence from 54 signatories to the Africa Continental Free Trade Area from 2002-2021. Two specific objectives were the focus of the study and corresponding two hypotheses were formulated for the study. Ex-post facto research design was employed in the study. The population of the study included all 54 signatories to the Africa Continental Free Trade Area from 2002-2021. The study relied on secondary sources of dataset which was obtained from websites of relevant authorities IFRS foundation, Global Reporting Initiative, United Nations Global Compact, Sustainable Stock Exchange Initiative, World Bank, International Monetary Fund, UN Statistics Division and official documents of states. Amongst other preliminary analysis and tests, the panel least square regression analysis was done in validating the hypotheses. The study found IFRS adoption to have significant positive effect on the economic development of signatories to the AfCFTA with p-value = 0.0000. The study also found a significant negative effect on the attainment of sustainable development goals (SDG1-Poverty) of signatories to the AfCFTA with p-value = 0.0216. Consequent on the findings of the study, it is recommended that signatories to the African Continental Free Trade Area agreement should make the IFRS a compulsory financial regulation standard for members as this has shown evidence of improving transparency in reporting thereby enhancing foreign investors' trust which ultimately increases FDI creating ripple effect on gross domestic products and reduces poverty in the area.
Key words: *Asset, PPE, Current asset, Performance, Panel regression, Interaction*

Introduction

Since the end of colonial control, many countries in Africa are still struggling to stand economically and attain self-sufficiency in production. Africa has been lagging behind in world economy; the continent which boasts of over 1.3 billion people with abundant natural and human resources contributing about 3% in the world economy. The continent has been saddled with poor infrastructure to support life and business, lack of market for its manufactured products, hostile economic and political environment and so on. These problems and many more have resulted in the production of goods and services that are less competitive at the international market. The manufacturing sector which is very essential for economic growth and development is in a comatose state as a result of lack of market for goods produced in Africa. Many economies in Africa have suffered economic setbacks because of their market and political inability. This has resulted to high rate of unemployment and wide spread poverty experienced in the continent today.

In order to take advantage of collective effort and achieve synergy to boost individual countries, the African Union in 2018 established the African Continental Free Trade Area (AfCFTA) - the largest trading bloc since the World Trade Organization, with aggregate gross domestic product of 2.5 trillion USD, 54 African countries and a population of 1.3 billion (Bengoa, Mathur, Marayanan & Norberg, 2021; Gachuiri; 2020). The operational phase of the AfCFTA was launched at the Niger Summit of the African Union in 2019. The AfCFTA is governed by five operational instruments, which are the rules of origin, the online negotiating forum, the monitoring and elimination of non-tariff barrier, a digital payment system and the African Trade observatory.

Alas, four years after the establishment of AfCFTA and three years after the agreement is operational, Africa still contributes barely 3% to the global GDP, with high incidence of poverty and unemployment (Coleman, 2020). Studies have also shown that businesses also face among other things regulatory differences in cross border trade. (Songwe et al, 2021).

There is therefore need to acknowledge that bringing different participants from different jurisdictions requires them to have a common level of reporting to ease understanding of corporate reports and for easy comparison across all jurisdictions. However, none of the protocols of the trade agreement contains any guideline or policy agreement on corporate reporting. Since corporate report is an essential tool for communicating with stakeholders. Hence, it has become highly necessary to investigate the regulatory environment of corporate reporting to find out if it encourages investments that promote economic and sustainable development in Africa.

At the backdrop of these arguments, the researchers formulated the following hypotheses to navigate their investigations:

H_{01}: IFRS adoption have no significant positive effect on the economic development of signatories to the AfCFTA.

H_{02}: IFRS adoption have no significant negative effect on the attainment of sustainable development goals (SDG1-Poverty) of signatories to the AfCFTA.

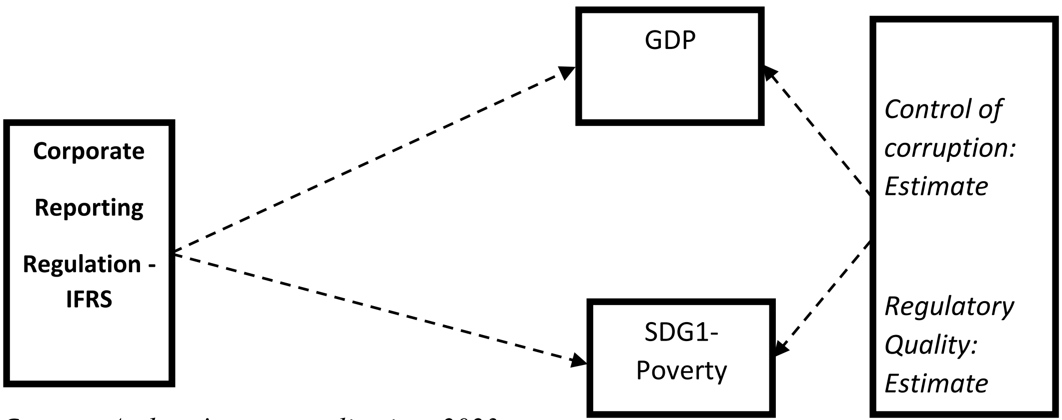
The paper is organised as follows' the next section reviews relevant literature with regards to context justification and provide a theoretical background for the study, respectively. Next describes the sample data and empirical methodology. The last section summaries the main results, offers conclusion and recommendations.

Review of Related Literature

Conceptual Framework

In this study, the independent variable is the corporate reporting regulation of African countries, the dependent variables are the economic growth and sustainable development goals 1- which is elimination of poverty and the control variables are corruption and regulatory quality of the countries under study. The relationship among these variables is shown in the diagram below and the concepts are discussed in this chapter, along with the theoretical framework of the work and the empirical review.

Figure 1: Schematic repre
Sensation of the conceptual framework



Source: *Authors' conceptualization, 2023*

Conceptual Reviews

Corporate reporting

Corporate reporting is the process by which an organization communicates relevant material information about itself to its stakeholders for decision making (Islam, 2017). It is prompted by the need to disclose relevant information about an organisation and its management to different stakeholders. A lot of importance has been placed on corporate reporting that good corporate reporting is often regarded as a sign of effectiveness and efficiency in corporate governance. (Deloitte, 2016; Aruwa, 2010).

The aim of corporate reporting is to create information, to connect to the different stakeholders, form a basis for comparison and enable the users of such information to make better decisions. It is also a basis to source for funding from investors. Usually, these reports are made in a systematic manner to enhance understandability and comparability by following standards set by relevant authorities. Corporate reporting includes audit reporting, financial reporting, corporate governance, corporate social responsibility reporting, integrated reporting and other reports published by organisations from time to time (Cordos, Fülöp & Măgdaş, 2020, Deloitte, 2016; Federation of European Accountants (FEE),2015). For the purpose of this study, corporate reporting refers to the process by which organisations make relevant disclosures to different interest groups within and outside the organisations, on its activities in the past, what it is doing and what is intends to do in the future and strategies put in place to achieve the goals focusing on the financial reporting.

Financial reporting

Financial reporting is the crux of corporate reporting and has been in existence for a long period of time. It is also known as the traditional corporate report. It includes financial statements and accompanying notes that are prepared in accordance to generally accepted accounting practice (GAAP) (Cordos et al, 2020). It has to do with disclosures on the financial state of an organisation as well as its performance of the period under review. The reports usually follow accounting principles and concepts and adhere to standards set by relevant authorities.

Regulatory environment for corporate reporting

Regulatory environment refers to the laws, policies and regulations put in place by the government or its agencies or other non-governmental agencies to regulate and monitor business conduct as well as enforce compliance. The laws and regulations are monitored and enforced by institutions established by the government for such purpose. The regulatory environment is part of the external business environment because it is not under the direct control of management. This environment is so important that it can affect the strategic objectives, performance and even existence of an organization. It can also stimulate or hinder economic growth and development of a country because investors consider the regulatory environment of a country before choosing to locate a new business or expand existing ones (Borek, Parlikad, Webb & Woodall, 2014). In corporate reporting, the regulatory environment is made up of laws, standards and guidelines which business organisations are required to adhere to in the preparation of it corporate reports. Some of the popular standards and organisations in corporate reporting will be discussed below.

International Financial Reporting Standards (IFRS)

The growth in international trade and global business brought about the need to have a robust accounting standard that can be applied in any country of the world. IFRS came as the solution to the problem of divergent national accounting standards (IFRS

Foundation, n.d). It is a principled based accounting standard issued by International Accounting Standard Board (IASB). It replaced and adopted the International Accounting Standard (IAS) published by the International Accounting Standard Committee (IASC) in 2001. The work of IASB is supported by the International Financial Reporting Standard Interpretation Committee (IFRIC) to provide International Financial Reporting Interpretations where there is disagreement in practice (Institute of Chartered accountants of Nigeria (ICAN), 2021).

It is pertinent to note that national financial reporting regulations must approve the use of IFRS before it can be applied by companies in that jurisdiction (ICAN, 2021). Currently, over 140 jurisdictions require companies to use IFRS to prepare financial statements and many more permit its use.

A lot of benefits have been accrued to the use of IFRS. It is believed that the use of IFRS increases the comparability of financial reports prepared in different jurisdictions across the globe. It facilitates the access to international finance as foreign investors are able to understand the basis on which the financial statements are based thereby reducing the cost of capital and information gap; this can foster the expansion of international trade and simplify the preparation of group accounts especially with subsidiaries in different jurisdictions. (ICAN, 2021).

Economic sustainability

The United Nations' Brundtland report defined sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (Brundtland, 1987 in (Aggarwal, 2013, Mensah, 2019). The relevance of sustainable development deepens with the dawn of every day because the population keeps increasing but the natural resources available to human kind do not (Mensah, 2019).

The current study looked at economic sustainability from the stand-point of increase in gross domestic product (GDP) which is an increase in the production of goods and services - in terms of quality and quantity in a society for a particular period of time and decline in poverty as stated in SDG-1. Economic growth has proven to be the most effective tool for poverty reduction and improvement of standard of living that any successful strategy for poverty reduction must have at its core measures to promote rapid and sustained economic growth.

Economic growth leads to creation of job opportunities, improved human capital development, better quality of life and improvement in the overall wellbeing of any country. It is imperative to note that the institutional setting in any economy affect the level of investment in human and physical capital, the scope of technology transfer and a whole host of the key conditions for economic growth (Amadeo, 2022; Roser, 2022).

Empirical Review

Cualain and Tawiah (2023), to review existing literature on the consequences of IFRS adoption in Europe with a specific focus on different enforcement environment. They employed a critical review approach- review in Europe the comparative analysis among for countries based on enforcement environment, review of high-quality journals based on Chartered Association of Business Schools (CABS) journal rankings. They found that the consequences of IFRS adoption depend on the country's enforcement environment. Strong enforcement results to more pronounced effects.

Arena, Azzone Ratti, Urbano and Vecchio (2022), explored the sustainable development goals (SDG) reporting practices in oil and gas industry and the characteristics of companies that engage in SDG reporting. Sample was 75 oil and gas companies; content analysis was used for data collection. Descriptive statistics and two tailed non parametric test were used for analysis. They found that SDG was relevant in the oil and gas industry; the level of internationalization, location of head quarter in Europe and availability of funds affect report.
Erin, Bamigboye and Oyewo (2022), examined the SDG reporting of the top 50 companies in Nigeria. They employed survey method and content analysis of 2016-2018 annual report of selected companies. They found that companies performed poorly on SDG reporting; lack of regulatory framework and voluntary disclosure are the major factors that cause low level of report in addition to lack of management commitment.

Ellili and Nobanee (2022), investigated the degree of sustainability disclosure of listed banks in the UAE financial market and analyzed the effect of sustainability disclosures on banking performance. They used content analysis and dynamic pane regression. They found that level of sustainability disclosure is low and sustainability disclosures have a significant impact on bank performance.
Mulhunayake and Kawshalya (2021), examined the impact on IFRS adoption on the accountinbg information quality in terms of value relevance and the effect of key financial mesrures of financial statements in Sri Lanka. Data was sourced from annual financial statements and Colombo stock exchange reports for 2008/2009 – 2017/2018. Regression was used to analyse the data. They found that the book values of equity increased upon IFRS adoption.

Gaps in Knowledge

The drawbacks arising market and political inability in Africa resulting to high rate of unemployment and wide spread poverty has necessitated the established the African Continental Free Trade Area (AfCFTA). Despite this initiative, Africa still performs poorly in the global market outlook. Some researchers already carried out studies which captures IFRS adoption and its consequences. For instance, Cualain and Tawiah (2023) reviewed existing literature on the consequences of IFRS adoption but only focused in Europe. There is need to extend such studies to Africa in other to evaluate the outcome.

Also, Erin, Bamigboye and Oyewo (2022); Arena, Azzone, Ratti, Urbano and Vecchio (2022), who carried out their study in Nigeria examined the SDG reporting of the top 50 companies in Nigeria from 2016-2018. There is need to extend the time scope to capture variations that could have been prompted by the COVID-19 Pandemic.

Finally, Mulhunayake and Kawshalya (2021) in Sri Lanka who conducted a study on the impact IFRS adoption only focused value relevance from 2008-2018. It is therefore imperative to address the aforementioned gaps which could throw some insights to the epileptic sustainable development in Africa.

Methodology

Research design

The study employed the ex-post facto research design while combining with, descriptive statistics. This design is chosen because the study aims to explore the characteristics of the population, analyze their interaction with one another in order to make inferences from the analysis and also because the focus will be on events that have already occurred which cannot be manipulated but was used as it is.

Population of study and Sampling techniques

The population of study was made up of all the 54 signatories to the Africa Continental Free Trade Agreement from 2002-2021. No sampling technique was applied to the study because no sample was taken for the study. The entire population was studied

Instrument of Data Collection

The research used secondary data. Data was collected from websites and database of relevant authorities like IFRS foundation, Sustainable Stock Exchange Initiative, World Bank, and official documents of states. The instrument of data collection was document review. This instrument was chosen because it was the most appropriate for the study.

Reliability of the Instrument

The instrument of data collection is reliable and can be replicated by anybody. The sources of data are easily available and trusted by agencies and governments around the world for decision making.

Method of Data Collection

Content analysis was used to collect data from websites of relevant authorities IFRS foundation, Global Reporting Initiative, United Nations Global Compact, Sustainable Stock Exchange Initiative, World Bank, International Monetary Fund, UN Statistics Division and official documents of states.

Method of Data Analyses

The study employed both *descriptive* and *inferential* statistical techniques to analyse the dataset under study. The following descriptive statistics were computed as the mean, median, standard deviation, minimum, maximum values, and Skewness-Kurtosis statistics, etc. The correlation matrix was also constructed to identify the correlation between the dependent and independent variables. Lastly, Fixed or Random effect and Pooled OLS regression was used to validate the hypotheses. Other preliminary diagnoses test was also carried out such as Variance Inflation Factor (VIF) to test for Multicollinearity test, Jarque-Bera normality test, and Hausman's test serial correlation test. These tests helped to determine the most appropriate model to employ. The goodness of fit of the model was tested using the Coefficient of Determination (R-squared) and analysis was done via E-Views statistical software. In view of the dependent, independent and control variables of the study, the following model was developed to examine the relationship between the independent variables, dependent variables and control variables. This approach is in line with Hair, Black, Babin, Anderson, and Tatham (2006).

$$N\_GDP = f(IFRS, CC, RQ) \ldots\ldots\ldots\ldots\ldots\ldots (1)$$
$$POV = f(IFRS, CC, RQ) \ldots\ldots\ldots\ldots\ldots\ldots (2)$$

Equations 1-2 can be written econometrically as presented in equations 3-4 as follows:

$$N\_GDP_{it} = \eta_0 + \eta_1 IFRS_{it} + \eta_2 CC_{it} + \eta_3 RQ_{it} + + \textstyle\sum_t \ldots\ldots\ldots\ldots\ldots\ldots (3)$$
$$POV_{it} = \eta_0 + \eta_1 IFRS_{it} + \eta_2 CC_{it} + \eta_3 RQ_{it} + + \textstyle\sum_t \ldots\ldots\ldots\ldots\ldots\ldots (4)$$

Where:

N_GDP_{it} = Log transformed value of Gross domestic product of country *i* at time *t*.
POV_{it} = Poverty index of country *i* at time *t*.
CC = Control of corruption: Estimate
RQ = Regulation quality: Estimate
IFRS = International financial reporting standard adoption
t = Time dimension of the variables
η_0 = Constant or Intercept.
η_{1-4} = Coefficients to be estimated or the Coefficients of slope parameters.

The expected signs of the coefficients (a priori expectations) are such that η_1, η_2 and $\eta_3 > 0$; while, $\eta_4 < 0$

Data Presentation and Analysis

The empirical analysis required a total five variables computed for each of the selected country year. The data presentation and analysis are sub-divided into five sections, as follows: The descriptive (univariate properties) statistics of the selected firm specific financial variable; The correlation matrix of the selected variables. The Hausman test statistic (Fixed *vs.* Random Effects Regression) and the Variance Inflation Factors (VIF); the test of hypotheses and the discussion of findings emanating from the study.

Data Presentation

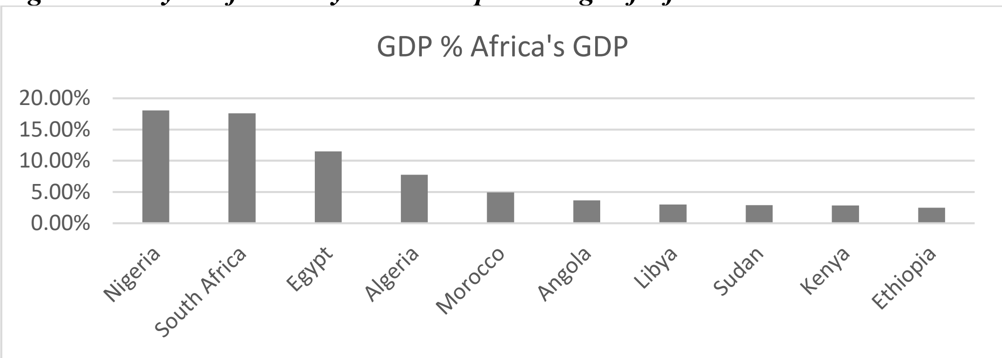
Table 4.1: Data presentation according to Top 10 largest economy in Africa from 2002-2021 (presented in average value)

Country	CC	RQ	IFRS	GDP (USD)	GDP% of Africa's GDP	Poverty_ Index
Nigeria	-0.902	-1.151	1.35	350,924,000,000.00	18.06%	2.01
South Africa	0.389	0.089	2.85	342,336,000,000.00	17.62%	11.87
Egypt	-0.511	-0.601	0.3	223,575,000,000.00	11.51%	3.02
Algeria	-0.616	-0.973	0	150,903,000,000.00	7.77%	0.28
Morocco	-0.158	-0.343	1.4	96,458,517,830.00	4.96%	0.69
Angola	-1.017	-0.55	0.7	71,552,640,240.00	3.68%	1.62
Libya	-1.71	-1.284	0	57,827,886,874.00	2.98%	0
Sudan	-1.419	-1.347	0	56,572,351,047.00	2.91%	2.33
Kenya	-0.297	-0.947	3	55,405,408,008.00	2.85%	4.15
Ethiopia	-1.018	-0.584	1.2	48,086,242,659.00	2.47%	4.59

Source: *World Economic Reports, IMF, (2002-2021)*

The table 4.1 showed the panel data for our variables included in the model given in average form. The independent variables included; international financial reporting standards (IFRS) while the control variables included; control of corruption (CC) and regulation quality (RQ). On the other hand, the dependent variables are gross domestic products (GDP) used as proxy for economic development and SDG1-which points to poverty index for the countries in Africa.

Fig.4.1: Analysis of Country GDP as a percentage of Africa's GDP



Source: *Ms-Excel plot from Dataset (2002-2021)*

Fig. 4.1 shows the top 10 African countries by GDP percentage of Africa's total GDP. From the chart, Nigeria is the largest economy in Africa, with an average GDP of 351Billion USD from 2002-2021 covering 18.06% of Africa's total GDP. However, this represents a decline on several occasion from 2009 (which marked the effect of the Global financial distress in 2008). Nigeria also fell into depression in 2015 when the Nigerian borders where closed, inflation rose to an all-time high and several businesses relocated from the country. This depression became severe in 2016 when the rate of depression rose to 21.84% against the 16.46 in 2015. From 2017, Nigeria began to experience recovery but later plunge into depression again in 2020 owing to the COVID-19 pandemic and its impact on the Nigerian economy, particularly the oil sector, which is a major source of revenue for the country. Despite these setbacks, Nigeria remains a major player in the African economy, with a diverse economy that includes agriculture, manufacturing, and services.

South Africa is the second-largest economy in Africa within this period, with a GDP of 342Billion USD from 2002-2021. South Africa's economy has been struggling in recent years, with low growth rates and high levels of unemployment. The COVID-19 pandemic has only worsened these problems, with lockdowns and restrictions affecting many sectors of the economy. However, there are signs of recovery, particularly in the mining and manufacturing sectors.

Egypt is the third-largest and one of the fastest growing economies in Africa, with a GDP of 224Billion USD from 2002-2021. Egypt's economy has been growing steadily in recent years, with a focus on infrastructure investment, tourism, and natural gas production. However, the COVID-19 pandemic has also had an impact on Egypt's economy, particularly in the tourism sector, which has been hit hard by travel restrictions and lockdowns.

Algeria which is the fourth-largest economy in Africa, has a GDP of 151Billion USD from 2002-2021. Algeria's economy is heavily dependent on the oil and gas sector, which accounts for around 60% of the country's budget revenues. However, like many other oil-producing countries, Algeria has been hit hard by the fall in oil prices and the COVID-19 pandemic.

Morocco is the fifth-largest economy in Africa, with a GDP of 96Billion USD from 2002-2021. Morocco's economy is relatively diversified, with key sectors including tourism, agriculture, and manufacturing. However, like many other countries, Morocco has been hit hard by the COVID-19 pandemic, particularly in the tourism sector.

Angola is the sixth-largest economy in Africa, with a GDP of 72Billion USD from 2002-2021. Angola's economy is heavily dependent on the oil sector, which accounts for around 90% of the country's exports. Like other oil-producing countries, Angola has been hit hard by the fall in oil prices and the COVID-19 pandemic.

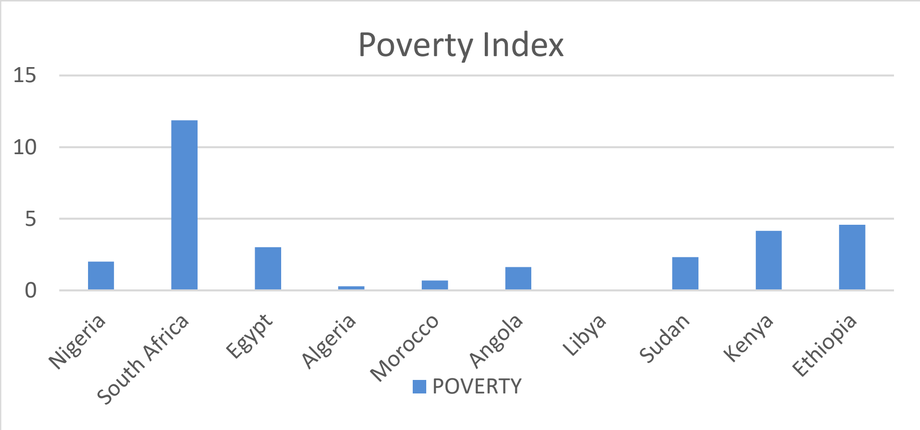
Libya is the seventh-largest economy in Africa, with a GDP of 58Billion USD from 2002-2021. Libya’s economy is diverse, with key sectors including oil, agriculture and mining. However, like many other countries, Libya has been hit hard by the COVID-19 pandemic, particularly in the tourism sector.

Sudan is the eight-largest economy in Africa, with a GDP of 57Billion USD from 2002-2021. Sudan had been plagued by political instability thus affecting its economy which covers, mining, and oil. Sudan was also hit by the COVID-19 pandemic, particularly in the tourism sector.

Kenya is the ninth-largest economy in Africa, with a GDP of 55Billion USD 2002-2021. Kenya's economy is diverse, with key sectors including agriculture, manufacturing, and services. However, like many other countries, Kenya has been hit hard by the COVID-19 pandemic, particularly in the tourism sector.

Ethiopia is the tenth-largest economy in Africa, with a GDP of 48Billion USD from 2002-2021. Ethiopia's economy is also diverse, with key sectors including agriculture, manufacturing, and services. However, the COVID-19 pandemic has had a significant impact on the country's economy, particularly in the tourism sector.

Fig.4.2: Analysis of Africa's Top 10 economies by Poverty Index



Source: *Ms-Excel plot from Dataset (2002-2021)*

Despite being the largest economy in Africa, Nigeria has a high poverty index of 2.01, with approximately 40% of its population living below the poverty line. This can be attributed to a number of factors, including high levels of unemployment, income inequality, and a lack of access to basic services such as education and healthcare.

South Africa which is the second largest economy in Africa has a poverty index of approximately 11.87, which is relatively high compared to many other African countries. Despite the cosmopolitan nature of major cities in South Africa, poverty and inequality remain major challenges in the country, particularly for historically disadvantaged communities. This has been exacerbated by the COVID-19 pandemic, which has had a significant impact on the country's economy.

Egypt has made significant progress in reducing poverty in recent years, with a poverty index of approximately 3.02. This can be attributed to a number of factors, including economic reforms, increased investment in infrastructure and social services, and a growing tourism industry.

Algeria has a poverty index of approximately 0.28, which is relatively low compared to many other African countries. However, the country has been heavily impacted by the decline in global oil prices, which has had a significant impact on its economy and led to high levels of unemployment.

Morocco has a poverty index of approximately 0.69, which is also relatively low compared to Nigeria, South Africa and other African countries. The country has made significant progress in reducing poverty in recent years, particularly through investment in education and healthcare, as well as efforts to promote economic growth and job creation.

Although Angola is not considered among the 5 largest economies in Africa, it has a relatively low poverty index of approximately 1.62, which is relatively low compared to many other African countries. The country has also been heavily impacted by the decline in global oil prices, which has had a significant impact on its economy and led to high levels of unemployment.

The dataset collected showed that Libya has a poverty index of approximately 0.0, within the period of 2002-2021 which is questionably low considering the political unrest and conflicts that has plagued the country.

Sudan has a poverty index of approximately 2.33, which is relatively high compared to Algeria, Morocco and Libya but low compared to Nigeria, South Africa and other African countries. The country has been heavily impacted by years of conflict and political instability, which have severely impacted its economy and led to high levels of displacement and food insecurity.

Kenya has a poverty index of approximately 4.15, which is relatively high compared to many other African countries. The country has made significant progress in reducing poverty in recent years, particularly through investment in infrastructure and social services, as well as efforts to promote economic growth and job creation. Finally, Ethiopia has a poverty index of approximately 4.59, which is relatively high compared to many other African countries. The country has made significant progress in reducing poverty in recent years, particularly through investment in infrastructure and social services, as well as efforts to promote economic growth and job creation. However, the country continues to face significant challenges related to food insecurity and displacement.

Descriptive Statistics

The descriptive statistics of the variables utilized in the study were presented in Tables 4.2. The table below shows the mean, median, standard deviation, observations, minimum and maximum values of each selected variable. The description helps in showing the nature of the data and normality of the dataset.

Table 4.2: Descriptive statistics of main variables employed in the study

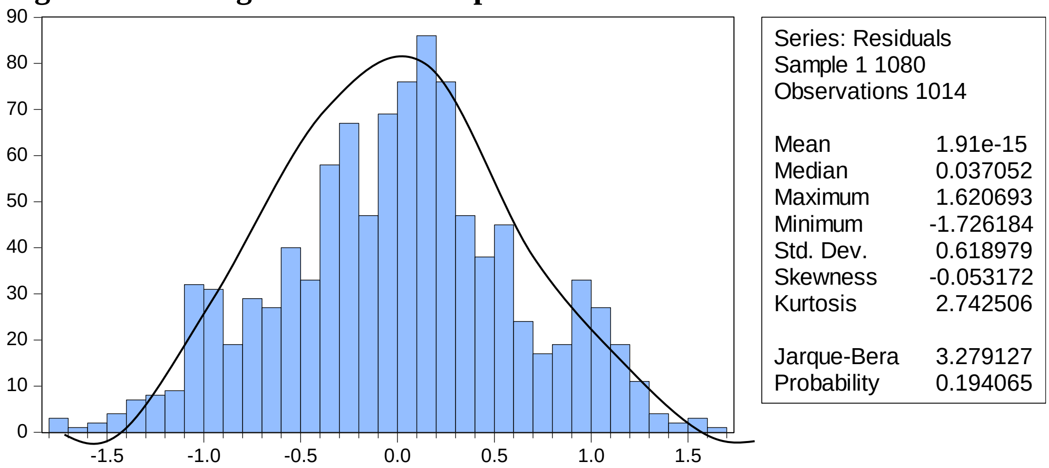
	CC	IFRS	NFR	POV	RQ
Mean	-0.676932	1.120316	0.229783	5.238560	-0.615413
Median	-0.681284	0.000000	0.000000	0.000000	-0.689433
Maximum	1.196947	3.000000	3.000000	80.70000	1.633352
Minimum	-2.282205	0.000000	0.000000	0.000000	-1.778053
Std. Dev.	0.591262	1.360608	0.624808	15.11394	0.626859
Skewness	0.213668	0.473408	3.239676	2.860556	0.664867
Kurtosis	3.525039	1.347603	13.65174	10.10303	3.065914
Jarque-Bera	19.36239	153.2356	6567.401	3514.533	74.88980
Probability	0.000062	0.000000	0.000000	0.000000	0.000000
Sum	-686.4089	1136.000	233.0000	5311.900	-624.0288
Sum Sq. Dev.	354.1357	1875.321	395.4606	231400.8	398.0603
Observations	1014	1014	1014	1014	1014

Source: *E-Views 9.0*

The observations row shows the number of cases included in each analysis of the variables of the study as one thousand and fourteen for both the dependent and independent variables. From the tale above, the average of each variable shows the measure of central tendency which represents the mean value of the variables; while, the standard deviation is the measure of the average distance between the values of the data in the set and the mean. A low standard deviation (SD<1) indicates that the data points tend to be very close to the mean; while a high standard deviation (SD>1) indicates that the data points are spread out over a large range of values. A high standard deviation points to the presence of bias and abnormality in the dataset. The summary statistics revealed that only the poverty index revealed a standard deviation of above 1. This could be attributed to the nature of data collected for poverty index for the relevant countries and year.

The summary statistics also depict the skewness and kurtosis for all variables which reports on the normality of the data. The skewness revealed a value of 0.213668, 0.058251, 0.473408, 2.860556 and 0.664867 for CC, N_GDP, IFRS, POV and RQ respectively while and kurtosis revealed a value of 3.525039, 2.766911, 1.347603, 65174, 10.10303 and 3.065914 for CC, N_GDP, IFRS, POV and RQ respectively. The skewness and kurtosis threshold upholds that those values between -2 to +2 and -7 to +7 are reported as normal distribution (George & Millery, 2010; Bryne, 2010). The skewness and kurtosis value are therefore indicative that the independent variables are fairly normally distributed as they cluster towards the center and are also peaked.

Figure 4.1: Histograms of the independent and control variables



The histograms displayed above show that CC, N_GDP, IFRS, POV and RQ are fairly normally distributed as they cluster towards the center and are also peaked. This bullish shape is a reflection of the normality of the dataset.

Correlation Matrix

The Pearson correlation describes the strength and direction of the linear association between two variables. The results indicate variables that have a correlation as shown in Tables 4.3 below.

Table 4.3: Covariance and Correlation analysis of variables

Covariance Analysis: Ordinary
Date: 03/02/23 Time: 13:49
Sample: 2002 2021
Included observations: 1014

Covariance Correlation t-Statistic Probability	CC	N_GDP	IFRS	POV	RQ
CC	0.349246 1.000000 ----- -----				
N_GDP	0.049139 0.117023 3.748494 0.0002	0.504869 1.000000 ----- -----			
IFRS	0.312598 0.388957 13.43110 0.0000	0.190281 0.196919 6.389470 0.0000	1.849429 1.000000 ----- -----		
POV	0.489423 0.054822 1.746623 0.0810	-0.286575 -0.026698 -0.849631 0.3957	0.037767 0.001838 0.058482 0.9534	228.2059 1.000000 ----- -----	
RQ	0.237699 0.641956 26.63464 0.0000	-0.040534 -0.091050 -2.908551 0.0037	0.171698 0.201507 6.544595 0.0000	0.694245 0.073349 2.339675 0.0195	0.392564 1.000000 ----- -----

Source: *E-views, ver. 9.0 *Significant @ 5%*

The correlation analysis reveals the nature of association between the variables employed in the study. The correlation matrix also showed the absence of multicollinearity as none of the independent variable (IFRS) and control variables (CC, RQ) presented a near-perfect correlation. This supports the unbiased inclusion of all independent and control variables in the model developed for the study.

Another interesting insight from the correlation matrix is the relationship between poverty and gross domestic product (GDP). The table revealed a negative insignificant association between GDP and poverty in Africa (corr. = -0.0267, t-stat = -0.0850, p-value = 0.3957). While there is no logical reason why GDP should have negative relationship with poverty, it can be said that the rise in a nations GDP has shown very insignificant effect on the poverty level in Africa. This is arguably attributed to the inequitable distribution of wealth in most African countries.

Also, the correlation matrix revealed a positive association between corporate regulations and control of corruption and regulatory qualities. The implication of this is that, countries with sound corporate regulations in place have done well in controlling corruptions and enhancing the quality of regulations.

Hausman Specification Test

The Hausman Test is used to check for which model to employ in the statistical analysis based on appropriateness. The following hypothesis guided these analyses for both model:

H_0: Random-effects model is appropriate
H_1: Fixed-effects model is appropriate

Table 4.4: Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	18.015866	4	0.0012

Source: E-views 9.0

The hausman test for model one revealed a probability value of 0.0012 ($P < 0.05$) which is below the decision threshold for hausman's test. Hence, we reject the null hypothesis and conclude that fixed effect model (FEM) is appropriate for validating our hypothesis one and two.

Variance Inflation Factors (VIF)

Table 4.5: Variance Inflation Factors (VIF) of models
Variance Inflation Factors
Date: 03/02/23 Time: 15:32
Sample: 1 1080

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.001720	4.534803	NA
IFRS	0.000251	2.053625	1.223382
CC	0.002145	4.565190	1.974500
RQ	0.001655	3.364179	1.712253

Source: *E-views, ver. 23*

Generally, a VIF above 4 or tolerance below 0.25 indicates that multicollinearity might exist. However, when VIF is greater than 10 or tolerance lower than 0.1, there is significant multicollinearity in the model. Table 4.4.1 shows the VIF and tolerance value for our independent and control variables falling below the acceptable threshold of 4 and 10. Hence, we conclude that there is no multicollinearity in our model.

Test of Hypotheses

Hypothesis One

H_{01}: IFRS adoption have no significant positive effect on the economic development of signatories to the AfCFTA.

Table 4.6: Fixed Effect Regression

Dependent Variable: N_GDP
Sample: 2002 2021
Periods included: 20
Cross-sections included: 52

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	9.914283	0.027412	361.6719	0.0000
IFRS	0.121379	0.007247	16.74805	0.0000
CC	0.059998	0.036108	1.661618	0.0969
RQ	-0.030125	0.034078	-0.883999	0.3769

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.937680	Mean dependent var	10.02819
Adjusted R-squared	0.934171	S.D. dependent var	0.710892
S.E. of regression	0.182395	Akaike info criterion	-0.512568
Sum squared resid	31.90401	Schwarz criterion	-0.245614
Log likelihood	314.8720	Hannan-Quinn criter.	-0.411175
F-statistic	267.2086	Durbin-Watson stat	0.249483
Prob(F-statistic)	0.000000		

Source: *E-views 9.0*

The regression model I shown in table 4.6 with one independent variable (IV) and two control variables (CVs), as follows: IFRS adoption, control of corruption and Regulation quality. In model validation, the following are considered: F-statistics and the overall R^2 are used. The overall R-squared is 0.937680 and the adjusted R-squared, 0.934171. The *p*-value of the F-statistics is (0.0000). That is, less than .05 which confirms the statistical significance of the model. Specifically, IFRS adoption is the variable of interest for hypothesis one. The *coefficient* of the variable of interest: IFRS was (0.121379) and *t-statistic* (16.74805) positive and statistically significant as P-value = 0.0000 (p-value < 0.05). Therefore, the null hypothesis is rejected and alternate, accepted. We conclude therefore that IFRS adoption have significant positive effect on the economic development of signatories to the AfCFTA.

Hypothesis Two

H₀₂: IFRS adoption have no significant negative effect on the attainment of sustainable development goals (SDG1-Poverty) of signatories to the AfCFTA.

Table 4.7: Fixed Effect Regression

Dependent Variable: POV
Sample: 2002 2021
Periods included: 20
Cross-sections included: 54

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	12.90317	2.144759	6.016139	0.0000
IFRS	-1.315442	0.571670	-2.301052	0.0216
CC	4.778707	2.830028	1.688572	0.0916
RQ	4.974645	2.648742	1.878116	0.0607

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.105482	Mean dependent var	5.075257
Adjusted R-squared	0.056080	S.D. dependent var	14.98060
S.E. of regression	14.55448	Akaike info criterion	8.245428
Sum squared resid	214798.6	Schwarz criterion	8.510275
Log likelihood	-4358.427	Hannan-Quinn criter.	8.345753
F-statistic	2.135195	Durbin-Watson stat	2.285227
Prob(F-statistic)	0.000004		

Source: *E-views 9.0*

The also revealed result specifically for IFRS adoption which is the variable of interest for hypothesis two as regressed against SDG1-poverty. The *coefficient* of the variable of interest: IFRS was (-1.3154) and *t-statistic* (-2.3011) negative and statistically significant as P-value = 0.0216 (p-value < 0.05). Therefore, the null hypothesis is rejected and alternate accepted. We conclude therefore that IFRS adoption have significant negative effect on the attainment of sustainable development goals (SDG1-Poverty) of signatories to the AfCFTA.

Discussion of findings

The study focused on corporate reporting regulation and sustainable development in Africa from the stand point of AfCFTA. Findings from the study revealed that IFRS adoption have significant positive effect on the economic development of signatories to the AfCFTA. In line with the findings of this study is Cualain and Tawiah (2023) in Europe who reviewed existing literature on the consequences of IFRS adoption in Europe and found that the consequences of IFRS adoption shows a pronounced effects if properly enforced.

The current study also found a significant negative effect of IFRS adoption on the attainment of sustainable development goals (SDG1-Poverty) of signatories to the AfCFTA. This is also in line with Arena, Azzone Ratti, Urbano and Vecchio (2022); Erin, Bamigboye and Oyewo (2022); Mulhunayake and Kawshalya (2021) and Gu et al (2019), who investigated the effect of IFRS adoption on FDI inflows in Africa using fixed effect regression on 45 African countries and found out that IFRS adoption leads to FDI inflows.

Also, Chipalkatti et al, (2021) found similar result where they examined the role of environmental, social and governance factors in attracting foreign direct investment and enabling progress toward the attainment of the sustainable development goals using fixed effect estimation model on a sample of 161 countries and found that sustainability reporting attracts FDI to commodity exporting countries. The agreement of findings from different environment and geographical units strongly lay emphasis on the fact that corporate reporting regulation lays a good background for sustainable development in Africa.

Conclusion and Recommendation

Several prior studies on factors which promotes sustainable economic growth have been published in recent years. However, they do not comprise the entire 54 member countries of the African Continental Free Trade Area. For instance, Degos et al., (2019) dealt with only anglophone African countries while other studies examine the accounting systems and practices in Francophone countries (Lassou, 2017; Lassou & Hopper, 2016). The current study differs from the aforementioned studies in that it analyzes and compares these factors in the 54 member countries of the African Continental Free Trade Area, and makes several contributions to the body of knowledge. First, the study investigated the factors that might play an important role in decisions of African countries to adopt IFRS.

The adoption of IFRS as a set of high-quality accounting standards has increased since the first set of core standards was completed in 1998. African countries are however experiencing several challenges to IFRS adoption and compliance (Mwaura & Nyaboga, 2009). Because of the relationship between the adoption of IFRS and increased transparency, it is therefore important to understand the factors that affect the decisions of countries to adopt IFRS in the literature (Shima & Yang, 2012).

Recognizing the fact that investors should benefit from increased transparency, as a second contribution, the study also examined whether African economies that adopted IFRS are able to benefit from more economic developments propelled by increase in gross domestic products (GDP) and reduced poverty level. The study found a significant positive effect of IFRS adoption and application on gross domestic products. The study also found a significant negative effect of IFRS adoption and application on SDG-1 which emphasizes on poverty in the region. Consequent on the findings of the study, the study therefore recommends that countries of the African Continental Free Trade Area make the IFRS a compulsory financial regulation standard for members as this has shown evidence of improving transparency in reporting thereby enhancing foreign investors' trust which ultimately increases FDI creating ripple effect on gross domestic products and reduces poverty in the area.

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THE IMPORT OF MONETARY POLICY ON ECONOMY OF AGGREGATE NEXUS IN NIGERIA ECONOMY

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Abstract

This work examined the import of monetary policy on economy of aggregates in Nigeria. The impact of monetary policy on aggregate economy in Nigeria has always been subject of controversy owing to its implementation coupled with conflicting empirical finding. Specifically, this study examined the effect of monetary policy rate; cash reserve ratio, liquidity ratio and money supply which are the independent variables on the dependent variables (inflation and employment rate). The study adopted an ex-post facto research design using the Error Correction Mechanism (ECM) Model as a method of estimation. The result of the analysis revealed that there is a negative insignificant relationship between monetary policy instruments: monetary policy rate, cash reserve ratio, liquidity ratio and money supply on selected macro-economic variables: inflation and unemployment rate. The study concludes that Central Bank of Nigeria's monetary policy adjustments have not facilitated improved macroeconomic variables in Nigeria. The work recommended among others that more awareness should be created in rural areas to boast financial inclusion; and that there should be synergy between the monetary policy and the fiscal policy managers. Equally Government should direct effort towards improving the level of development of both the money and capital market.

Keywords: *Monetary policy, cash reserve, liquidity, inflation.*

Introduction

Monetary Policy refers to the specific actions taken by the Monetary Authority to regulate the value, supply and cost of money in the economy with a view to achieving predetermined macroeconomic goals. The Central Banks in developing countries, seek to achieve price stability through the management of money supply. Generally, monetary policy is a tool of general macroeconomic management, under the control of the monetary authorities, designed to achieve government economic objectives. Monetary policy aims at achieving certain national goals which have historically included full employment (or a low unemployment rate), high output (or a high output growth), a stable price level (or a low inflation rate), and a stable exchange rate (or a desirable balance of payments). These are often referred to as the "ultimate goals" of monetary policy. These goals are usually achieved indirectly by the monetary authorities (Central Banks) through its use of monetary policy instruments. These instruments, though different from country to country, usually include open market operations (OMO), changes in discount/bank rate (both of which determine the monetary base), and required reserves (the minimum reserves the commercial banks must hold against the public's deposit with them) (CBN, 2011).

Since the CBN Act of 1958, there have been various regimes of monetary policy in Nigeria (tight and loose monetary policy) and these have been used to influence growth and price stability. The economy has also witnessed business cycles (periods of booms or expansion and recession or contraction). However, there has been the argument that the growth reported has not been sustainable and encompassing as there is evidence of growing poverty among the populace. The Nigeria government in collaboration with its monetary authority still adopts monetary policy to regulate the economy. Thus adopting monetary policy in manipulating the fluctuations experienced so far in the economy, Central Bank of Nigeria (CBN) undertake both contractionary and expansionary measures.

Despite these measures undertaken, the target objectives of the various monetary policy regimes employed has failed to achieve its desired objectives of reducing inflation, stabilising exchange rate, reducing unemployment among others. A major problem militating against the effectiveness of monetary policy in Nigeria is inconsistent policies. In Nigeria, successive government refuse to understand that government is a continuum rather they change all the policies introduced by their predecessors whether those policies are good or not thus hampering economic growth. The impact of monetary policy on economic growth of Nigeria has always been a subject of controversy owing to its implementation.

Various studies on the relationship between monetary policy and macroeconomic fundamentals in Nigeria shows mixed effect by different researchers. The results of various researchers have continued to be inconsistence as result they are unreliable for any policy making; these problems prompted me to research further. Therefore, the gap created is that this work incorporated employment rate as part of macroeconomic variables so as to determine how it is affected by monetary policy.

Against this background, this research investigated the effects of monetary policy on selected macroeconomic variables in Nigerian economy from 1986 to 2019.

This study is structured into segments with introduction as section one. Section two reviewed related literature. The methodology was detailed in section three, while result of estimation and discussion was captured in section four. Concluding remarks and policy implications were stated in section five.

Review of related Literature

Monetary policy can be defined as the process by which monetary authorities (specifically, Central Banks) use monetary settings in an effort to attain several specified objectives for an economy. Such a simple definition encompasses a range of possibilities and choices. Nwankwo (1991) states that the objectives might be referred to economic growth, employment, price stability, or some other attributes. Collectively, monetary components seek to condition the supply of money, and less often, the demand in a structural market. Ibeabuchi (2007) observed that monetary policy is a set of policies governments use to deal with monetary issues, such as money supply policy, interest rate policy, exchange rate policy, and the like. Frameworks can be differentiated in terms of their specified objectives, as well as the interrelationships or mechanisms presumed in models analysis and underlying theories.

Monetary policy frameworks have been modified around the world as conditions which have evolved .The choice of framework reflects the goals and objectives that each government aims for. The popular objective of monetary policy in the1970s was economic growth; thus, most Central Banks used monetary aggregates as the preferable framework. The high inflation of the 1970s saw many preoccupied with its control, and price stability was therefore considered the primary objective, with Central Banks shifting to inflation targeting via interest rate–controls. In 2000,a comprehensive survey of 94 Central Banks, conducted by the Bank of England, showed inflation targeting and a desired level of exchange rate to be the most important goals of their monetary policies (Mahadeva & Sterne,2000).Five other objectives were identified to be financial stability, money targeting, balance of payment, output growth, and interest rate. Each of these objectives is now considered. In determining monetary policy, the Central Bank has a duty to maintain price stability, full employment, and the economic prosperity and welfare of the people. To achieve these statutory objectives, the Central Bank has an inflation target and seeks to keep consumer price inflation in the economy to 2–3percent, on average, over the medium term. Controlling inflation preserves the value of money and encourages strong and sustainable growth in the economy over the longer term.

Policy makers must make choices when setting monetary policy. They may take into account a wide range of factors ,such as:(1)short-term and long-term interest rates; (2)quantities and velocity of money in circulation;(3)inward and out-ward capital flows;(4) exchange rates;(5) government versus private sectors pending/savings of firms ,households ;and (6) quantities and quality of credit supply. Perceptions as to the significance and interrelations of each will guide thinking. In practice, different objectives might clash with each other. Therefore, it is important for a Central Bank to choose appropriate objectives for the monetary policy and leave other objectives to other policy institutions. Normally, objectives of monetary policy are selected by the monetary authority, keeping in view the specific conditions and requirements of the economy. Nwoko et.al (2016) observes that some of the most important objectives of monetary policy are: **Output Growth (Economic Growth)**: This is the ultimate objective of every monetary policy framework. Monetary policy can influence economic growth is at variance to real interest rates, which in turn affects the aggregate level of investment .For some emerging economies where the financial system is still under-developed, economic growth can be achieved by expanding total investment ,so that the framework of money targeting proves to be useful. In the more advanced economies where a financial system is already comprehensively developed the Central Bank might consider economic growth to be the implied objective after success in maintaining income and price stability. Hence, inflation targeting is more appropriate for these economies. **Price Stability**: The emergence of inflation and deflation are both harmful to the economy. Thus, monetary policy has an objective of price stability, which aims to keep the value of the currency stable. It also helps reduce income and wealth inequalities. When the economy suffers from recession, the monetary policy should be an expansionary one; while in an inflationary situation, there should be a contractionary policy. **Exchange Rate Stability**: If the exchange rate is very volatile leading to frequent ups and downs in the value of the currency, this complements the business condition; however, the international markets might also lose confidence in the domestic economy. Therefore, monetary policy aims to maintain the relative stability of the exchange rate. This is even more crucial for economies that depend significantly on imports and exports; in that case, exchange rate targeting might be the most appropriate approach. **Balance of Payments (BOP) Equilibrium**: The BOP has three positions: balance, surplus, and deficit. A surplus reflects an excess money supply in the domestic economy, while a deficit reflects stringency of money. The persistence of surplus or deficit in the long term both cause negative impacts on the economy. Therefore, it is important for the monetary policy to aim to maintain BOP equilibrium. **Full Employment**: In a simple definition, full employment is a situation in which everybody who wants to work gets a job .An economy in full employment is considered able to achieve its potential development. In theory, expansionary monetary policy will increase credit supply and total investment, and this helps create more jobs in different sectors of the economy. Full employment was referred to in Keynes‘s (1936)–General Theory. However, this objective did not receive much attention from monetary policy makers until very recently, when both the Federal Reserve Bank (FED) and European Central Bank found their current monetary stances in sufficient to recover economic growth and reduce the unemployment rate. A country that considers employment status the prior objective would choose unemployment targeting in its monetary policy framework (Bernanke, 2003)

Trying to attain these objectives is a considerable challenge, as economic history attests. Policy makers and analysts use preferred theories or other–explanations, explicitly or implicitly, to frame their thinking and actions. Many may develop only a limited understanding of such supports and rely upon conventional or organisational wisdoms rather than any critical appreciation.

Theoretical Framework

Traditional Keynesian and IS-LM Model, Phillips's Curve and Monetarism theory are the theory used in the study while Monetarism theory was the theory guiding the study.

Traditional Keynesian and IS-LM Model

In the 1930s, Keynes was concerned with trying to develop a framework to evaluate the real impacts of monetary positions on an economy. His well-known contribution can be found in the book ―The General Theory of Employment, Interest and Money" (Keynes, 1936). The central argument of the theory is that the level of employment is mainly determined by the spending of money (aggregate demand). This is entirely different from the argument of neoclassical economics that price of labour is the key factor influencing employment.

Hicks (1937) and Hansen (1953) visualised the explanation of the impact of monetary adjustment in traditional Keynesian macroeconomic theory in their well-known IS-LM model. The model demonstrates the specified combination of interest rates and real output (Y, r), given the equilibrium achieved in the goods and services market (I=S) and the money market (L=M). Figure 2.2 depicts the case where the Central Bank implements expansion monetary policy by increasing the money supply in the IS-LM model. As a result, the real money balance M/P will increase (given that P is unchanged in the short run), The LM curve will shift to the right (from LM_0 to LM_1), which implies that the demand for money is lower than the supply. As bonds would now be preferred to cash, the market interest rate will be lower (from r_0 to r_1).This in turn reduces the capital cost of production, which bolsters investment and later expands total output (Y_0 to Y_1).

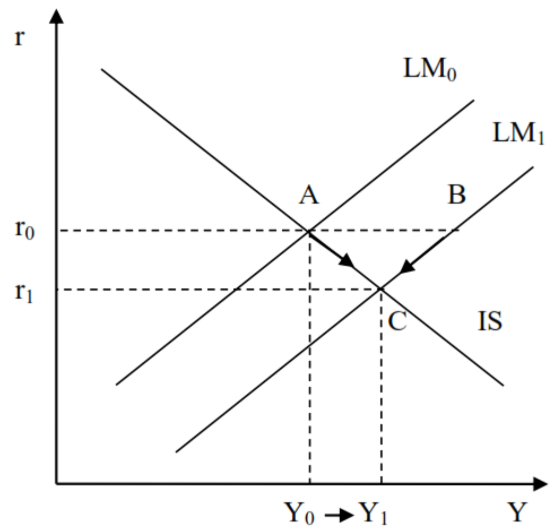

Figure 1: Monetary Expansion in IS-LM Model

However, the role of monetary policy was restricted through a contrary stance that money supply has no impact on real output in the long run. Fiscal policy was seen as the more powerful tool in boosting the aggregate demand of the whole economy. The sole objective of the monetary authority should then be to use its influence over the interest rate to raise the economy out of its long-period equilibrium position characterised by unemployment and Propel it toward along-period equilibrium position characterised by full employment (Dickens, 2011).As an explanation for this bias, in the 1930s,few Central Banks were independent of government and there was an associated assumption that a Central Bank had to be independent for monetary policy to function properly.

Phillips's Curve

Keynesian economics was the dominant economic model during the Great Depression aftermath, World War II, and the post-war economic expansion (1945-1973). However, the failure of demand-driven fiscal policies to restrain inflation and produce growth in the 1970s put the approach in doubt, paving the way for monetarist economics to become the new approach in policy-making. It should be noted that, during this earlier time, Phillips (1958) found the inverse relationship between rate of changes in wages and the unemployment rate in the United Kingdom. His idea was later developed by Samuelson and Solow (1960) for the case of the United States with the relationship between inflation rate and unemployment rate. Samuelson and Solow suggested that a 3-4% rise of inflation was effective to keep unemployment stable at 3%. The relationship was graphed into the famous Phillips curve, which implied the motivation in keeping the inflation rate at reasonable value in order to bolster the employment status.

Under the light of quantity monetary theory, the relationship could be explained as the following: Any increase in money supply M or money velocity V, or an increase in both variables, would lead to higher aggregate demand. It is then expected to find rising output and incomes on the one hand(i.e, increasing Y);rising prices(P)on the other: and as the economy approaches closer to full employment, more increased spending will become more inflationary pressure. Conversely, if an economy is under heavy unemployment with much of its resources staying idle or being unutilised, an increasing M, which leads to rising aggregate demand, will produce increased real output and incomes(in Y),without any significant increase of price level. Therefore, the extent of inflation, or price increases, depends as much on these real factors as on the purely monetary factors.
However, the Phillips curve has lately been criticised, as empirical studies have shown no long-run trade-off between inflation and growth in the data of various countries.In1990s, the Phillips relationship even proved to be negative, with more inflation associated with lower growth in studies such as Barro (1995), Fischer (1993), and Fry(1995).

Monetarism
In the 1970s the influence of monetarists increased, most notably that of Milton Friedman, who hailed the importance of monetary policy over fiscal policy. Following Fisher, monetarists argue that variations in the money supply have major influences on national output in the short run and the price level over longer periods. Therefore, the objectives of monetary policy are best met by targeting the growth rate of the money supply (Friedman, 1948). Monetarists strongly emphasise the necessity to control the amount of money in circulation. Monetarism was considered to be successfully applied in controlling the high levels of inflation seen in the United States in the 1970s and early 1980s. Paul Volcker applied the theory in managing US monetary policy when he was the Chairman of the Federal Reserve from August 1979 to August 1987. However, the theory and position were criticised as causing highly unstable relationships between monetary aggregates and other macroeconomic variables (Bernanke, 2006). A modified monetarism theory became the central position in the monetary policy of western governments in the late 1980s and early 1990s, and this focused more on the interest rate than on the quantity of money.

This study is hinged on the theory of monetarism as monetarism has been found to be more favourable to the Nigerian economic and political landscape. Monetarists warn that increasing the money supply only provides a *temporary* boost to economic growth and job creation. Over the long run, it will increase inflation. As demand outstrips supply, prices will rise. Monetarists believe monetary policy is more effective than fiscal policy. That is government spending and tax policy. Stimulus spending adds to the money supply, but it creates a deficit. This adds to the country's sovereign debt. That will increase interest rates. Monetarists say that Central Banks are more powerful than the government because they control the money supply. Monetarists watch real interest rates rather than nominal rates. Most published rates are nominal rates. Real rates remove the effects of inflation. They give a truer picture of the cost of money.

Empirical Review

Nwosa and Saibu (2012) investigated the transmission channels of monetary policy impulses on sectoral output growth in Nigeria. They employed the unrestricted VAR and the Granger causality on quarterly data that spanned the period 1986 – 2009. They found interest rate and exchange rate as the most effective monetary tools to influence sectoral output growth in Nigeria. The interest rate channel was most effective in transmitting monetary policy to agricultural and manufacturing sectors, while the exchange rate channel was most effective for transmitting monetary policy to building and construction, mining, service and wholesale/retail sectors.

Dalhatu (2012) studied the impact of monetary policy on price stability in Nigeria. He examined shocks in monetary policy and its responses on inflation, market interest rate and exchange rate. Monetary policy rate was used as a proxy for monetary policy indicators. Secondary sources of data were collected from December, 2006 to February, 2012. 2006 was chosen because this was when the monetary policy rate was introduced. Structural VAR framework was used to estimate the model. Results from the study revealed that market interest rate and exchange rate are more responsive to shocks in monetary policy rate than inflation in Nigeria. Furthermore, expected changes in inflation cannot be guaranteed by variations in the monetary policy rate. Other instruments mainly reserve requirement and open market operation used along with the monetary policy rate can effectively reduce inflation in Nigeria.

Amassoma Wosa and Olaiya (2011) explored monetary policy development in Nigeria and also examined the effect of monetary policy on macroeconomic variables in Nigeria for the period 1986 to 2009. The study adopted a simplified Ordinary Least Squared technique and also conducted the unit root and co-integration tests. The findings of the study showed that monetary policy have witnessed the implementation of various policy initiatives and has therefore experienced sustained improvement over the years. The result also shows that monetary policy had a significant effect on exchange rate and money supply while monetary policy was observed to have an insignificant influence on price instability. The implication of this finding is that monetary policy has had a significant influence in maintaining price stability within the Nigeria economy. The study concluded that for monetary policy to achieve its other macroeconomic objective such as economy growth; there is the need to reduce the excessive expenditure of the government and align fiscal policy along with monetary policy measure.

Ajaude, Nkamare, and James (2015) in their study critically and logically analysed the impact of monetary policy on macroeconomic aggregates (inflation and interest rate). The objectives were; to examine the effect of money supply, interest rate, cash reserve requirement on inflation. To ascertain the effect of monetary policy instruments on macroeconomic aggregate (inflation), secondary source of data was employed and extracted from Central Bank statistical Bulletin. Ordinary least square of multiple regression technique was used to statistically analyse the relationship between dependent and independent variables. The findings revealed that monetary policy had a positive impact on macroeconomic aggregate (inflation), also shown that monetary policy affected interest rate positively.

Acha, Ikoh and Nsien (2016) examined the efficacy of the Nigeria's monetary policy against the backdrop of single digit inflation monetary policy target of the regulatory authorities. Two related questions were constructed to guide the study. Relying on both the Keynesian and Structuralist analyses, data were harvested on inflationary performance for 24 years on Nigeria economy from the World Bank data base and assessed it against achievement of the targeted single digit inflation. Thereafter Nigeria inflationary performance was compared with that of South Africa another leading African economy. It was realized that inflationary pressure on the South African economy was lower than that of Nigeria, even when both countries faced high inflation episodes during the early decade of 1990s. Findings which confirm the structuralist's argument revealed that factors beyond the purview of monetary policy constrained the realization of single digit inflation. These include the existence of various and uncontrolled sources of liquidity in the country, government fiscal operation, which include financing of deficit budget and monetization of deficits, the existence of large informal credit markets, among others.

Ngerebo (2016) examined the effectiveness of monetary policy in controlling inflation in Nigeria. Relationship between variables such as inflation, savings rate, monetary policy rate, prime lending rate, maximum lending rate, treasury bill rate, growth of narrow money supply, net domestic credit, growth of broad money supply, net credit to government and credit to private sector were analyzed and tested using OLS. Secondary source of data from 1985 to 2012 was collected from the statistical report of the Central Bank of Nigeria. The study revealed that monetary policy rate, maximum lending rate, prime lending rate, net domestic credit and treasury bill rate are not statistically significant while growth of broad money supply, credit to private sector, growth of narrow money supply, savings rate, net credit to government are statistically significant in explaining how they affect inflation in Nigeria. Findings indicate that some monetary policy instruments in Nigeria are effective in managing inflation while others are not.

ThankGod and Tamarauntari (2014) examined the effectiveness of monetary policy on economic growth and inflation in Nigeria over the period 1970 to 2011. The lag selection criteria all indicated an optimum lag length of one, therefore a VAR (1) model was estimated using GDP, INTR, CPI, and M2 as endogenous variables. The model was dynamically stable and showed no evidence of serial correlation. Estimation results showed that in the short run it is output and inflation that drives monetary growth, while output growth is affected by inflation only. Results from the impulse response and variance decomposition showed that monetary policy variables may not have an instantaneous impact on output, but are key determinants of output growth in the long–run. Furthermore, in the short–run the level of production is more important in controlling inflation, but it is monetary policy variables that matter in the long–run. Therefore, there is the need to differentiate between short and long run monetary policy targets. It was recommended that, policy makers should concentrate on short-run output expansion policies and put measures in place to sustain growth in the long run to control inflation. But to maintain longrun output expansion, monetary authorities should aim at adjusting the inter-bank rate but with caution as this can instead cause the problem it is meant to solve.

Danjuma,Jbrin and Success (2012) attempted to examine the impact of monetary policy on inflation in Nigeria over the period 1980– 2010 with the aim of measuring the effectiveness of monetary policy in Nigeria. Using the least squares technique, granger causality they showed that liquidity ratio and interest rate were the leading monetary policy instruments in combating inflation in Nigeria while cash reserve ratio, broad money supply and exchange rate were described as being “impotent” in effective monetary policy decision in Nigeria.

Nenbee and Madume (2011) attempted to examine the impact of monetary policy on Nigeria's macroeconomic stability between 1970 and 2009. Macroeconomic stability was taken to be synonymous to price stability. Employing the Co-integration and Error Correction Modeling (ECM) techniques they showed that only 47 percent of the total variations in the prices was explained by the monetary policy variables-Money Supply (MOS), Monetary Policy Rate (MPR) and Treasury Bills (TRB) in the long-run. They concluded that monetary policy tools therefore have mixed impact on inflation in Nigeria.

Micheal and Ebibai (2014) examined the impact of monetary policy on selected macroeconomic variables such as gross domestic product, inflation and balance of payment in Nigeria using OLS regression analysis. The result shows that the provision of investment friendly environment in Nigeria will increase the growth rate of GDP.

Okwo, et al (2012) examined the effect of monetary policy outcomes on macroeconomic stability in Nigeria. The study analysed gross domestic product, credit to the private sector, net credit to the government and inflation using OLS technique. None of the variables were significant, which suggested that monetary policy as a policy option may have been inactive in influencing price stability.

Onyeiwu (2012) studied the effect of Central Bank of Nigeria's (CBN) monetary policies on selected macroeconomic variables – gross domestic product, inflation rate and balance of payment between 1981 and 2008. Using the Ordinary Least Squares Method (OLS) to analyse data, the result shows that monetary policy proxy by money supply exerts a positive impact on GDP growth and Balance of Payment but negative impact on rate of inflation. He recommended that monetary policy should facilitate a favourable investment climate through appropriate interest rates, exchange rate and liquidity management mechanism.

Ditimi, Wosa and Olaiya (2011) appraised monetary policy development in Nigeria and also examined the effect of monetary policy on macroeconomic variables in Nigeria for the period 1986 to 2009. The study adopted a simplified Ordinary Least Squared technique and also conducted the unit root and co-integration tests. The study showed that monetary policy have witnessed the implementation of various policy initiatives and has therefore experienced sustained expansion over the years. The results also shows that monetary policy had a significant effect on exchange rate and money supply while monetary policy was observed to have an insignificant influence on price instability. They noted that the implication of this finding is that monetary policy has had a significant influence in maintaining price stability within the Nigeria economy. The study concluded that for monetary policy to achieve its other macroeconomic objective such as output performance; there is the need to reduce the excessive expenditure of the government and align fiscal policy along with monetary policy measure.

Gul et al (2012) studies how monetary instruments influence macroeconomic variables such as, inflation, interest rate, real GDP, exchange rate and money supply in Pakistan. OLS was used to analyse and explain the relationship between the above mentioned variables. Secondary source of data from 1995 to 2010 was used. Results from the study showed that money supply has a strong positive correlation with inflation whereas a negative correlation with output. Exchange rate also has a negative impact on output in Pakistan. A tightening monetary policy is expected to reduce inflation but in the case of Pakistan, a positive interest rate shock (contractionary monetary policy) led to an increase in price level.

Methodology

Secondary data was the nature of data applied in this study. The data were carefully obtained from the 2019 statistical bulletin of Central Bank of Nigeria (CBN). The

data were gauged in annual bases as confined in the Central Bank of Nigeria (CBN) statistical bulletin.
Based on the objective of this study, a modified model of Ajaude, Nkamare and James (2015) on the effect of monetary policy on macroeconomic aggregates will be used in this study. The original model of Ajaude, Nkamare and James (2015) is stated as:

INF=f (MS, INTR, CRR)...................................1
Where:
INF = Inflation
MS = Money supply
$INTR$ = Interest rate
CRR = Cash reserve ratio

The model of Ajaude, Nkamare and James (2015) was modified by introducing liquidity ratio and two macroeconomic variables: inflation rate and employment rate. As a result the models for this study are thus:

Hypothesis One (Model 1)
$EMP = a_0 + a_1CRR + a_2MPR + a_3M_2 + a_4LR$ ....………................ 2
$EMP = a_0 + a_1logCRR + a_2logMPR + a_3logM_2 + a_4logLR + e_{it}$ …….........3

Hypothesis Two (Model 2)
$INF = a_0 + a_1CRR + a_2MPR + a_3M_2 + a_4LR$ ....………...............4
$INF = a_0 + a_1logCRR + a_2logMPR + a_3logM_2 + a_4logLR + e_{it}$ …….........5

Where: EMP= Employment Rate
INF=Inflation Rate
CRR= Cash Reserve Ratio
MPR= Monetary Policy Rate
M2= Broad Money Supply
LR= Liquidity Ratio
a_0 = Intercept of the model
$a_1 - a_4$ = Parameters of the regression coefficients
e_{it} = Stochastic error term

Data Presentation and Analysis
Table 1 shows the descriptive statistics of the variables. It provides the total number of observations, mean, median, maximum, minimum, standard deviation, kurtosis, skewness, Jarque-Bera and its p-value. The mean values of the time series data are 18.76127 for INF, 52.79000 for EMP, 13.62853 for MPR, 8.945588 for CRR, 46.86691 for LR and 4399784 for M2. The median was unveiled to be 12.05 for INF, 52.79 for EMP, 13.50 for MPR, 7.90 for CRR, 46.25 for LR and 7537 for M2. The maximum and

minimum coefficients are 72.80 and 5.4 for INF, 71.10 and 51.26 for EMP, 26.0 and 6.0 for MPR, 24.0 and 1.0 for CRR, 75.82 and 29.10 for LR, and 21607680 and 2259 for M2. The standard deviation of the data is 16.89717, 5.44, 3.73, 6.95, 10.27 and 6428450 for INF, EMP, MPR, CRR, LR and M2 respectively.

Table 4: Data Descriptive Properties

	Mean	Median	Maximum	Minimum	Std. Dev.	Skewness	Kurtosis	Jarque-Bera	P-value	Obs
INF	18.76127	12.05000	72.80000	5.400000	16.89717	1.835452	5.319252	26.71050	0.000002	34
EMP	52.79000	52.79000	71.10000	51.26000	5.444719	2.068423	5.578840	33.66555	0.000000	34
MPR	13.62853	13.50000	26.00000	6.000000	3.735834	0.785583	5.334929	11.22064	0.003660	34
CRR	8.945588	7.900000	24.00000	1.000000	6.958517	0.939396	2.843694	5.035244	0.080651	34
LR	46.86691	46.25000	75.82500	29.10000	10.27086	0.579794	3.523704	2.293454	0.317675	34
M2	4399784	753705.0	21607680	22594.87	6428450	1.359740	3.472073	10.79277	0.004533	34

Source: Output data from E-views 9.0

With regard to the distribution of the data, it was obvious that the data were normally distributed as evidenced by the p-value of the Jarque-Bera coefficient which were all significant at 5% level of significant except for CRR and LR.

To prevent the occurrence of spurious regression result, the data were subjected to unit root test of Augmented Dickey-Fuller (ADF) and Phillips Perron (PP). The essence of the unit root test is to unveil that the time series data are free from stationarity defect that characterized most time series data due to the nature of data generation. The unit root was first performed at level but due to the fact that stationarity is not normally achieved at level estimation, the first difference was estimated. The criteria for unit root estimation via at intercept were applied in ADF and PP only. The result of the ADF and PP results envisage that the data were stationary at level form and at first difference. The stationarity test provides support that the data are stationary and free from stationarity defects that affects regression output. Tables 2 to 5 present the ADF result and the PP result.

Table 2: Result of ADF Unit Root Test at level

VARIABLES	ADF TEST STATISTICS VALUE	MACKINNON CRITICAL VALUE AT 5%	ORDER OF INTEGRATION	REMARKS
EMP	-2.481228	-2.954021	I(0)	Non-Stationary
INF	-2.511645	-2.954021	I(0)	Non-Stationary
MPR	-3.213516	-2.954021	I(0)	Stationary
CRR	-0.380528	-2.954021	I(0)	Non-Stationary
LR	-2.307798	-2.954021	I(0)	Non-Stationary
M2	-1.795348	-2.954021	I(0)	Non-Stationary

Source: Author's Computation using E-view 9.0

Table 3: Result of ADF Unit Root Test at First Difference

VARIABLES	ADF TEST STATISTICS VALUE	MACKINNON CRITICAL VALUE AT 5%	ORDER OF INTEGRATION	REMARKS
EMP	-6.247998	-2.957110	I(1)	Stationary
INF	-4.975838	-2.957110	I(1)	Stationary
MPR	-7.248876	-2.957110	I(1)	Stationary
CRR	-4.926999	-2.957110	I(1)	Stationary
LR	-5.787558	-2.957110	I(1)	Stationary
M2	-5.997467	-2.957110	I(1)	Stationary

Source: Author's Computation using E-view 9.0

Unit root test in table 2 shows that all the variables are not stationary at order level except MPR hence the need to difference the variables further. Table 3 revealed that all the variables (EMP, INF, MPR, CRR, LR and M2) were stationary at first difference. This is because their respective ADF test statistics value is greater than Mackinnon critical value at 5% and at absolute term. In order to confirm the stationarity of these variables Phillips Perron (PP) unit root text will be used. Table 4 and 5 indicates the result of Phillips Perron (PP) unit root text.

Table 4: Result of PP Unit Root Test at level

VARIABLES	ADF TEST STATISTICS VALUE	MACKINNON CRITICAL VALUE AT 5%	ORDER OF INTEGRATION	REMARKS
EMP	-2.714209	-2.954021	**I(0)**	Non-Stationary
INF	-2.684847	-2.954021	**I(0)**	Non-Stationary
MPR	-3.252064	-2.954021	**I(0)**	Stationary
CRR	-0.788687	-2.954021	**I(0)**	Non-Stationary
LR	-2.426171	-2.954021	**I(0)**	Non-Stationary
M2	-1.795348	-2.954021	**I(0)**	Non-Stationary

Source: Author's Computation using E-view 9.0

Table 5: Result of PP Unit Root Test at First Difference

Variables	ADF test Statistics Value	Mackinnon Critical Value At 5%	Order Of Integration	Remarks
EMP	-6.907294	-2.957110	**I(1)**	Stationary
INF	-5.235250	-2.957110	**I(1)**	Stationary
MPR	-7.889984	-2.957110	**I(1)**	Stationary
CRR	-4.961246	-2.957110	**I(1)**	Stationary
LR	-6.064971	-2.957110	**I(1)**	Stationary
M2	-5.997043	-2.957110	**I(1)**	Stationary

Source: Author's Computation using E-view 9.0

The result from Augmented Dickey-Fuller (ADF) and Phillips-Perron (PP) unit root test in table 2 to 5 shows that the variables are integrated at order (1) that is at first difference which allows the use of Error Correction Mechanism as a method of data analysis.

Table 6: Presentation of Johansen co-integration result- model 1

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.617468	75.99913	69.81889	0.0148
At most 1	0.553025	45.24899	47.85613	0.0861
At most 2	0.251234	19.48093	29.79707	0.4588
At most 3	0.205792	10.22242	15.49471	0.2640
At most 4	0.085191	2.849289	3.841466	0.0914

Trace test indicates 1 cointegrating eqn(s) at the 0.05 level
* denotes rejection of the hypothesis at the 0.05 level

Table 7: Presentation of Johansen co-integration result- model 2

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.784256	108.6302	69.81889	0.0000
At most 1 *	0.619913	59.55309	47.85613	0.0028
At most 2	0.487834	28.59768	29.79707	0.0683
At most 3	0.178495	7.186272	15.49471	0.5561
At most 4	0.027567	0.894530	3.841466	0.3443

Trace test indicates 2 cointegrating eqn(s) at the 0.05 level
* denotes rejection of the hypothesis at the 0.05 level

Long Run Relationship

The Johansen co-integration approach was used in ascertaining the presence of a long run relationship between monetary policy and selected macroeconomic variables. The data were integrated at order one, hence the justification for Johansen co-integration application. Table 6 and 7 provides the long run relationship between monetary policy and selected macroeconomic variables. Table 6 shoes that there is one co integrating equation between employment rate and macroeconomic variables while table 7 indicates two co integrating equation. This is reflected in the trace statistic of table 6 and 7 which shows a value greater than that of the 5% critical value respectively which shows that there are long run relationship between the variables. Hence the need to determine the short run relationship and the adjustment to the long-run model.

Short Run Dynamics

The presence of a long run relationship between employment rate, inflation rate and monetary policy necessitated the determination of the short run dynamics/speed of adjustment to equilibrium for employment rate, inflation rate and monetary policy. From table 8 and 9, the error correction model showed the supposed negative sign. This implies that there is significant error correction taking place as the t-statistic (-

2.78) and (-4.88) is significant at 5% level of significance. This also entails that there is tendency for the model to shift towards equilibrium following disequilibrium in previous period. As depicted by the ECM coefficient (0.388) and (0.790), about 38.8% and 79.0% error in previous year is corrected in present year respectively.

Table 8: Error Correction Model 1

Dependent Variable: D(EMP)
Method: Least Squares

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(EMP(-3))	-0.385477	0.228344	-1.688141	0.1055
D(MPR)	0.474259	0.206761	2.293755	0.0317
D(MPR(-1))	0.152047	0.159519	0.953161	0.3509
D(CRR)	-0.200754	0.216253	-0.928329	0.3633
D(LR(-2))	0.083220	0.061270	1.358252	0.1882
D(M2)	7.04E-09	1.26E-07	0.055802	0.9560
ECM(-1)	-0.388688	0.139812	-2.780084	0.0109
C	-0.906039	0.528055	-1.715805	0.1002
R-squared	0.493313	Mean dependent var		-0.536000
Adjusted R-squared	0.332094	S.D. dependent var		3.293135
S.E. of regression	2.691332	Akaike info criterion		5.041128
Sum squared resid	159.3519	Schwarz criterion		5.414780
Log likelihood	-67.61692	Hannan-Quinn criter.		5.160662
F-statistic	3.059896	Durbin-Watson stat		1.981443
Prob(F-statistic)	0.020854			

Source: Output data from E-views 9.0

Table 9: Error Correction Model 2

Dependent Variable: D(INF)
Method: Least Squares

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(INF(-1))	0.532495	0.164542	3.236223	0.0035
D(MPR)	-0.477806	0.639802	-0.746803	0.4624
D(MPR(-1))	-1.716349	0.661239	-2.595656	0.0159
D(CRR)	0.669573	0.799587	0.837398	0.4106
D(LR)	-0.430012	0.228503	-1.881867	0.0720
D(M2)	-3.43E-07	4.71E-07	-0.728913	0.4731
ECM(-1)	-0.790684	0.161973	-4.881582	0.0001
C	0.275273	1.914844	0.143757	0.8869
R-squared	0.573289	Mean dependent var		0.037240
Adjusted R-squared	0.448831	S.D. dependent var		13.97468
S.E. of regression	10.37491	Akaike info criterion		7.728975
Sum squared resid	2583.329	Schwarz criterion		8.095409
Log likelihood	-115.6636	Hannan-Quinn criter.		7.850438
F-statistic	4.606299	Durbin-Watson stat		1.560900
Prob(F-statistic)	0.002203			

Source: Output data from E-views 9.0

Table 8 shows that the constant has a coefficient of -0.906039 and probability value of 0.1002 meaning that if all the variables are held constant monetary policy will have negative and insignificant effect on employment rate in Nigeria within the period of the study. The coefficient of monetary policy rate, money supply and liquidity ratio has positive effect while cash reserve ratio has negative effect on employment rate. Monetary policy rate has significant effect on employment rate while money supply, cash reserve ratio and liquidity ratio has insignificant effect. Table 9 shows that monetary policy rate; liquidity ratio and money supply have negative and insignificant effect on inflation rate while cash reserve ratio has positive and insignificant effect on inflation rate in Nigeria within the period of the study.

The F-statistic indicates that the model is well fit for the estimation because F-stat for the models are 3.059896 and 4.606299 which is greater than the F-critical value of 2.68 at a 95 percent significance level. However, the Durbin Watson Statistic value of 1.981443 and 1.560900 shows there are no problem of autocorrelation in the models.

Variance Decomposition

Variance decomposition helps to discover monetary policy variables (MPR, CRR, LR and M2) which most impacts macroeconomic variables in Nigeria. The results of the variance decomposition estimates of EMP in Table 10 indicate that monetary policy rate shocks explain about 13.4% of the variation in EMP in the 7^{th} period. This is followed by money supply which explains about 6.2% changes in EMP in the 8^{th} period. However, about 4% and 0.67% of the future changes in EMP were attributable to changes in CRR and LR, respectively, while about 99% of future changes in EMP are explained by present EMP. Table 11 indicates that MPR shocks explains about 36.5% changes in INF in the 4^{th} period and is followed by CRR which explains about 28.4% change in INF in the 10^{th} period. Also about 14.8% and 5.2% of the future changes in INF are explained by present INF. While about 97% of future changes in INF are explained by present INF.

Table 10: Variance Decomposition of EMP

Period	S.E.	EMP	MPR	CRR	LR	M2
1	3.323503	100.0000	0.000000	0.000000	0.000000	0.000000
2	3.943385	99.31652	0.001237	0.121540	0.035560	0.525139
3	4.414761	91.26453	6.270825	0.140461	0.130560	2.193626
4	4.752018	85.33408	10.33782	0.528868	0.368582	3.430651
5	4.937803	82.24789	12.23012	0.514185	0.379685	4.628120
6	5.039437	80.28987	13.16675	0.517369	0.383518	5.642490
7	5.091279	79.28864	13.41420	0.696699	0.469603	6.130857
8	5.126239	78.57066	13.27900	1.343873	0.583982	6.222486
9	5.165842	77.57672	13.08740	2.538566	0.662002	6.135308
10	5.212802	76.29355	12.89622	4.073743	0.677083	6.059406

Source: Output data from E-views 9.0

Table 11: Variance Decomposition of INF

Period	S.E.	INF	MPR	CRR	LR	M2
1	9.509929	100.0000	0.000000	0.000000	0.000000	0.000000
2	12.16258	97.87907	1.778312	0.214632	0.125182	0.002802
3	15.09490	63.98985	24.70033	3.498520	7.597813	0.213487
4	18.66152	42.06870	36.50594	6.558022	14.53715	0.330184
5	19.92851	37.87615	35.18843	11.62973	14.83694	0.468746
6	20.62608	36.67686	32.95422	15.96588	13.90574	0.497301
7	21.15400	35.30267	31.36960	18.95269	13.68937	0.685673
8	21.81943	33.29196	29.58509	22.26422	12.92594	1.932795
9	22.64978	30.93208	27.46099	25.81149	12.08858	3.706867
10	23.40775	28.96531	25.76221	28.41929	11.60790	5.245287

Source: Output data from E-views 9.0

Table 12: Pairwise granger causality test on input variables (MPR) and (INF)

		HYPOTHESIS	F-STATISTICS	PROBABILITY
A	H_0: -	MPR does not Granger Cause INF	5.31146	0.0113
	H_1: -	MPR does Granger Cause INF		
B	H_0: -	INF does not Granger Cause MPR	2.30369	0.1192
	H_1: -	INF does Granger Cause MPR		

Source: *Granger Causality test result*

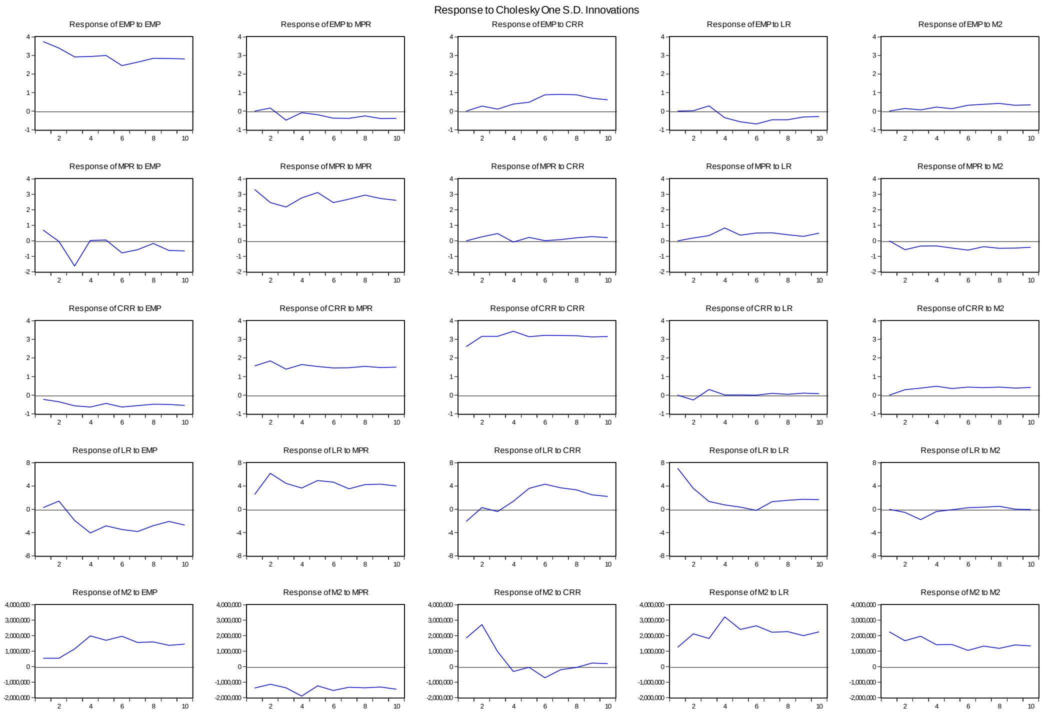

Fig. 1. Impulse Response Function of EMP to shocks in MPR, CRR, LR and M2

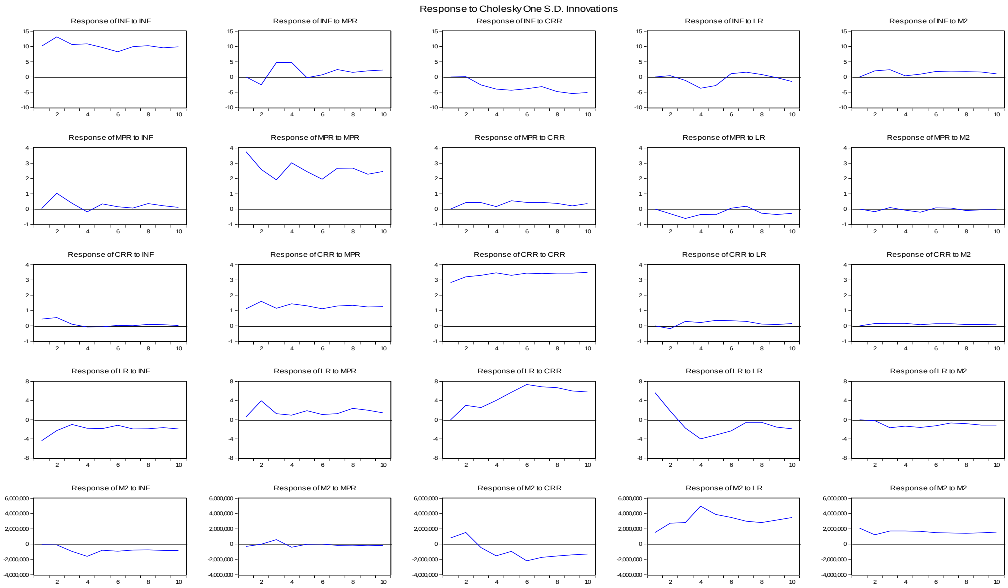

Fig. 2. Impulse Response Function of INF to shocks in MPR, CRR, LR and M2

Granger Causality Test

The work tested the causality of the variables studied on the dependent variables EMP and INF using granger causality test. The output data shown in Table 12 revealed that there exists a unilateral causality between monetary policy rate (MPR) and inflation rate (INF) with causality moving from MPRI to INF. Since the probability value in the Table is less than 5% and the F-statistic is greater than the F-tabulated, therefore, we reject the Null Hypothesis (H_0) and accept the Alternate Hypothesis (H_1). The unidirectional relationship between MPR and INF in Nigeria shows that higher interest rates will help reduce demand in the economy thereby leading to lower economic growth and lower inflation rate in the country. Equally there is no causal relationship between CRR, LR and M2 on INF. The result of other variables shows that there is no causal relationship between EMP and monetary policy variables.

Impulse Response Function

The impulse response will be used to trace the responses of the system to the innovations in monetary policy using impulse analysis. This analysis involves shocking the system's disturbances and tracing the sign and magnitude of the system's response to the shocks over time.

Fig.1 shows that cash reserve ratio and liquidity ratio have the highest shock impact on EMP among the variables. The effect of cash reserve ratio impulses is positive on EMP from 2^{nd} to 10^{th} period while making its full impact on the 7^{th} and 8^{th} period. Fig.2 shows that cash reserve ratio and monetary policy rate have the highest shock impact on INF among the variables. Effect of cash reserve ratio is positive on INF on the 2nd period while making its full impact on the 10th period.

Accumulated impulse response functions for Fig.1 shows that cash reserve ratio and liquidity ratio impact the highest shock on EMP among other variables making its full impact from second period to the tenth period. LR has a positive effect on EMP from the 2nd period to the 3rd period and M2 has a positive effect on EMP from 1st to 10th period while MPR has a negative effect from 2nd period to 10th. Fig 2 shows that cash reserve ratio and monetary policy rate impact the highest shock on INF among other variables making its full impact from the third period to the tenth period. CRR has a positive effect on INF on the second period thereafter generates a negative impact INF, LR has a positive effect on the 2nd period thereafter it generates negative effect from 3rd period to 10th period while M2 has a positive effect on INF from second to tenth period.

Summary, Conclusion and Policy Implication

Summary and Conclusion

Government in collaboration with its monetary authority adopts monetary policy to regulate and manipulate fluctuations in the economy in order to achieve macroeconomic objective of low inflation, high employment rate and stable exchange rate etc. Although the empirical investigation on this topic in Nigeria remains a conflicting issue and is based on that, the study seeks to discover the effect of monetary policy on selected macroeconomic variables in Nigeria from 1986 to 2019. Descriptive statistics was used to describe the variables used in the study and there after unit root statistics was used to discover the stationarity of the variables. The variables were discovered to be integrated at order one which necessitated the use of Error Correction Mechanism as method of data analysis. Structural analysis was used to discover which variables of monetary policy will impact more on the selected macroeconomics variables in the future. The outcome of structural analysis indicates that monetary policy rate impacts more on the selected macroeconomic variables which show that interest rate can be manipulated by Central bank in order to achieve macroeconomic objectives of lower inflation and unemployment rate in the country. The Johansen co-integration relationship evidence that it is only monetary policy rate that is related with employment rate in the long run, while cash reserve ratio, money supply and liquidity ratio respectively do not in the long run related with inflation rate and employment rate. The result of the analysis indicates that monetary policy has insignificant effect on selected macroeconomics variables in Nigeria within the period of the study. The finding is in line with the empirical studies of Olaiya (2011), Acha, Iloh and Nsien (2016), Ngerebo (2016), Danjuma (2012), Nenbee and Madume (2011) and Okwo, et al (2012) but is inconsistent with the study of Ditimi, Wosa and Olaiya (2011), Onyeiwu (2012). The causality analysis has shown the inadequacy of the Central Bank of Nigeria to using monetary policy to promote growth and development in the economy as none of its monetary policy instruments were able to significantly affect inflation rate and employment rate within the period studied. The insignificant effect may be because of the existence of a large non-monetized sector which hinders the success of monetary policy. Most of the people live in the rural areas where there is absence of financial institutions and knowledge especially in the Northern part of the country. Thus monetary policy failed to affect the lives and activities of the people in those areas of the economy.

Policy Implication

The aim of monetary policy is to help the economy achieve high economic growth, stable exchange rate, low inflation(price stability) and unemployment rate but within the period of the study monetary policy has not achieve these objectives as such the study makes the following recommendations. Central Bank should stabilise exchange rate and lending rate through effective monetary policy control. The CBN should appropriately strike a balance between maintaining rapid economic growth, restructuring the economy and managing inflation expectations, so as to achieve sound and rapid economic development with employment-intensive growth. Government should direct effort towards improving the level of development of both the money and capital market. This is because a well-developed money and capital market with wide range of both short and long-term finance are necessary for efficiency of the monetary system. I suggest that awareness should be created in rural areas, encouraging them to invest in treasury bills, bonds and other securities. Central Bank should be made fully independent to purse fully its monetary policy targets without interferences and interruptions arising from political interferences from the executive arm of the government. There should be a synergy between the monetary policy and the fiscal policy managers.

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EPISTEMOLOGY OF CORRUPTION AND ECONOMIC CRIME IN NIGERIA DISCOURSE

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Abstract
Corruption and all forms of economic and financial crimes in Nigeria are pervasive. All efforts by successive governments to either fight or reduce this humongous menace have proved abortive. It has penetrated all sectors of Nigerian society. Due to government insincerity in fighting corruption and economic crimes in the public sector, civil servants in the ministry of finance take advantage of looting the treasury. The study examined Epistemology of corruption and economic crimes in Nigeria. The objective of the study identified the forms of corruption and types of economic crime in Nigeria, ascertained the extent of corruption and economic crimes and assessed the causes of corruption and economic crimes in Nigeria. The significance of this study will be beneficial to civil servants in the public sector, relevant to law enforcement agencies, public office holders, researchers, bankers, accountants and the general public. The findings of the study is that the long time reign of corruption in the country has impacted negatively on economic growth in Nigeria and It has also decayed or deteriorated the country's cultural values. The study adopted the Modernization Theory and Game Theory. The study therefore, recommends that the Nigerian government should advance the use of anti-corruption agencies such as; Independent Corrupt Practices Commission (EFCC) to properly investigate corrupt practices and to apportion appropriate sanctions. There should be re-orientation process in education system in Nigeria that would lead to redemption or retrieval and salvaging or restoring of the country's national character and image.
Keywords: *Corruption, Economic Crime, financing crime.*

Introduction

Corruption practices did not begin today, the history is as old as the world. Ancient civilizations have traces of widespread illegality and corruption (Lipset and Lenz 2000). The price of corruption has been extremely high. The economic, political, social and moral bases of the country have been severely eroded and degraded. It has brought us near the brink and almost rendered us helpless and hopeless. It became imperative that something drastic had to be done to arrest the rot. This impelled the commitment of the president to tackle corruption head on. (ICPC ACT 2000).

Corruption is efforts to secure wealth or power through illegal means for private gain at public expense; or a misuse of public power for private benefit (Nnubia & Obiora, 2018). Corruption is like cockroaches, it co-existed with human society for a long time and remains as one of the problems in many of the world's developing economies with devastating consequences. Corruption as a phenomenon, is a global problem, and exists in varying degrees in different countries (Luna, 2002). Corruption is not only found in democratic and dictatorial politics, but also in feudal, capitalist and socialist economies. Christian, Muslim, Hindu, and Buddhist cultures are equally bedevilled by corruption (Dike, 2005).

Economic crimes has been described as the manifestation of a criminal act done either solely or in an organized manner with or without associates or groups, with an intent to earn wealth through illegal means, carrying out of illicit activities which violate the laws of the land and other regulating statutory provisions governing the economic activities of the government and its administration. It can erode the confidence in the system of a country; threaten the integrity of government, its programmes and institutions, thereby undermining national security, law and order.

Hence, the overwhelming presence of economic crimes can make such a country unattractive to investors (Okolie, 2006). Irrespective of the sophistication of the methods adopted by criminals, the common characteristics of the crime include cheating, lying and stealing. Corruption is a menace in the public sector, although is a global malaise, the extent of its reach in the public sector was tragically stupendous. All indicators showed that the spread of this cancer had become frightening. The menace of corruption leads to slow movement of files in offices, police extortion at tollgates and slow traffics on the highways, port congestion, queues at passport offices and gas stations, ghost workers syndrome, election irregularities, among others. Even that made people on the street recognizes the havoc caused by corruption, the funds allocated for their welfare disappearing into the thin air. Corruption is endemic in all governments, and that it is not peculiar to any continent, region and ethnic group. Corruption is found in democratic and dictatorial politics; feudal, capitalist and socialist economies.

According to Lewis (1994) and Beekers (2012), Nigeria is often classified as a neo-patrimonial state and these particular characteristics have serious implications on the social mechanisms enabling corruption in the country. Patrimonialism is defined as a social and political order where patrons secure the loyalty and support of clients by granting benefits from their own or state resources while neo-patrimonialism gives rise to a 'hybrid' state which often fails to guarantee the universal and fair distribution of public resources. Corruption in Nigeria manifest itself in different ways, both on a micro and macro level, and it occurs at all levels of society. According to the report by (Amundsen I, 2010), the types of corruption in Nigeria are; rent-seeking, embezzlement, conflict of interest, bribes and kickbacks, nepotism and cronyism, corruption in provision of services, political patronage, and electoral corruption, among others.

The 1999 constitution of the Federal Republic of Nigeria provides the motto of the country which is Unity and Faith, Peace and Progress. This is because, every society needs to define its values and engage in activities that will sustain those set of values. However, there has been a lot of indiscipline in every face of life in Nigeria. Among them are; lack of integrity, corruption, the get-rich-quick syndrome and pursuit of easy money which has reduced the dignity of labour, religious intolerance, none respect for the country in terms of our institutions and national symbols. This necessitated the great need for value re-orientation. As quoted by Okoroafor and Njoku (2012), value re-orientation is aimed at inculcating good values that can help Nigeria out of her numerous predicaments which can refocus the nation toward greatness. The Nigerian government has therefore put in place several efforts to orientate Nigerians to imbibe and instill the culture of virtue and to shun immoral acts.

The government has made some efforts and different strategies to curb corruption in the country, For instance, the introduction of War Against Indiscipline (WAI) by Buhari (Nigeria President) to change the immoral attitude of Nigerians for better, the introduction of Economic and Financial Crime commission (EFCC) to check corruption in the country, and other agencies such as; Independent Corrupt Practices and Other Related Offences Commission (ICPC) to ensure ethical and moral values by restoring the good moral values inherent in the traditional society.

Economic and Financial Crimes serve as a disease to economic development in Nigeria that has huge earning from oil. In the works of Waziri (2009), corruption afflicts virtually all parts of the Nigerian society. It has eaten deep into Nigeria value system and is now threatening to spread to the culture as public adulation for wealth has increased. The society no longer asks questions as to how people came by their questionable wealth. Okolo (2007), financial crime has become really pervasive and the likelihood of corporate fraud occurring has also become more severe.

The pervasion of corruption in Nigeria has attracted criticisms from various quarters and has been widely reported. Nigeria economy was reported to have lost an estimated sum of £205 million (N105.4 billion) in tax revenues between 2005 and 2007 to the United Kingdom, the European Union and Ireland, as a result of corruption in the form of trade mispricing (Christian Aid, 2008; Otusanya, 2010). More so, the joint audit conducted by the central bank of Nigeria(CBN) and the Nigeria deposit insurance commission (NDIC) on the five indicted banks in 2009 revealed how corrupt practices have led to loss of huge funds in non-performing loan. It showed that the five banks had a total loan portfolio of N2.8 trillion.

Aggregate of nonperforming of these loans represents 40.81 per cent of the total loans (Otusanya, 2012).

With an upsurge in financial accounting fraud in the current economic scenario experienced, financial accounting fraud detection has become an emerging topic of great importance for academic, research and industries. In this age of high technology, fraud investigators can no longer be satisfied with just auditing or accounting skills, these investigators should be trained as forensic accountants and this training should include an extensive knowledge of accounting information systems (Bressler, 2006; Manning, 2005; Ramaswamy, 2005). The failure of internal auditing system of the organization in identifying the accounting frauds has led to use of specialized procedures to detect financial accounting fraud, collective known as forensic accounting (Kranacher and Stern 2004).

Ojaide (2000) submits that there is an alarming increase in the number of fraud and fraudulent activities in Nigeria emphasizing the visibility of forensic accounting services. Therefore, many foreign investors have lost several billions of dollars to fraudsters thereby leading to reduction and negative consequences on economic growth and development. Appropriate legislation was enacted to criminalize all corrupt conducts including unjust enrichment. Key institutions like Independence Corrupt Practices Commission (ICPC), Economic and Financial Crime Commission (EFCC) were established to fight corruption.

Okoye and Akamobi (2009), Owojori and Asaolu (2009), Izedomin and Mgbame (2011), Kasum (2009) have all acknowledge in their separate works, the increasing incidence of fraud and fraudulent activities in Nigeria and these studies have argued that in Nigeria, financial fraud is gradually becoming a normal way of life. As Kasum (2009) notes, the perpetuation of financial irregularities are becoming the specialty of both private and public sector in Nigeria as individual perpetrates fraud and corrupt practice according to the capacity of their office.

Ribadu (2004) asserted that corruption and economic crime cases are usually very complex and complicated. Some involve documents or subjects that are very technical requiring a well schooled investigator to unravel. Therefore, forensic accountants are required to compliment the effort of anti – corruption agencies.

Consequently, there is a general expectation that forensic accounting should be able to stem the tide of financial malfeasance witnessed in most sectors of the Nigerian economy. However, there has not been adequate emphasis, especially survey evidence on how forensic accounting can help curb financial crimes beyond the several anecdotal views that abound.

Conceptual Clarifications

Corruption

According to section 2 of I.C.P.C Act (2000), corruption simply connotes impropriety and encompasses all forms of reprehensible, indecorous and infamous conduct in the performance of some official and non official's responsibilities. This means any act, which go out of any normal societal behaviour. According to Nye, J.S. (1967), Corruption is a behaviour, which deviates from the formal duties of a public role, because of private (gains) regarding (personal, close family, private clique, pecuniary or status gains). It is behaviour, which violates rules against the exercise of certain types of duties for private gains regarding influence.

Banfield (1961) says that corruption includes such behaviour as bribery (use of a reward to prevent the judgment of a person in a position of trust; nepotism (bestowal of patronage by reasons of a scriptive relationship rather than merit); and misappropriation (illegal appropriation of public resources for private uses. Corruption is the efforts to secure wealth or power through illegal means private gain at public expense; or a misuse of public power for private benefit. (Lipset and Lenz 2000).

According to Gboyega (1965), "Corruption and Democratization in Nigeria", Corruption involves the giving or taking of a bribe, or illegal acquisition of wealth using the resources of a public office, including the exercise of discretion". According to section 46 of the Economic and Financial Crimes Commission defines economic crimes to means, "the non-violent criminal and illicit activity committed with the objective of earning wealth illegally either individually or in a group or organized manner thereby violating existing legislation governing economic activities of government and its administration and includes any form of fraud, narcotic drug trafficking, money laundering, embezzlement, bribery, looting and any form of corrupt practices, illegal arms deal, smuggling, human trafficking and child labour, illegal oil bunkering and illegal mining, tax evasion, foreign exchange malpractice including counterfeiting currency, theft of intellectual property and piracy, open market abuse, dumping of toxic and prohibited goods etc.

The word corruption is from the latin word corruptus, the past participle of corrumpere to destroy (com means intensive while rumpere, to break). Corruption is defined according to Oxford Dictionary, the process of being corrupt, or condition of being corrupt, a deformed or alter form of a word or phrase, dishonest or impurity.

Types of Corruption

Corruption in Nigeria manifests itself in different ways, both on a micro and a macro level, and it occurs at all levels of society. Evidence on the forms of corruption, actors involved and its magnitude is however scattered across many academic papers, newspaper articles, and reports from donors and civil society organisations, making it difficult to gain a clear understanding of the types of corruption that take place in the country.

i. **Systemic Corruption**
As opposed to exploiting occasional opportunities, endemic or systemic corruption is an integrated and essential aspect of the economic, social and political system, when it is embedded in a wider situation that helps sustain it. Systemic corruption is not a special category of corrupt practice, but rather a situation in which the major institutions and processes of the state are routinely dominated and used by corrupt individuals and groups, and in which most people have no alternatives to dealing with corrupt officials. Examples might include contemporary Bangladesh, Nigeria, Kenya, Cameroon and many others. (Michael Johnston: Fighting Systemic Corruption: Social Foundations for Institutional Reform.)

ii. **Sporadic (Individual) Corruption**
Sporadic corruption is the opposite of systemic corruption. Sporadic corruption occurs irregularly and therefore it does not threaten the mechanisms of control nor the economy as such. It is not crippling, but it can seriously undermine morale and sap the economy of resources.

iii. **Political (Grand) Corruption**
Political corruption is any transaction between private and public sector actors through which collective goods are illegitimately converted into private-regarding payoffs. Political corruption is often used synonymously with "grand" or high level corruption, distinguished from bureaucratic or petty corruption because it involves political decision-makers. Political or grand corruption takes place at the high levels of the political system, when politicians and state agents entitled to make and enforce the laws in the name of the people, are using this authority to sustain their power, status and wealth. Political corruption not only leads to the misallocation of resources, but it also perverts the manner in which decisions are made. Political corruption is when the laws and regulations are abused by the rulers, side-stepped, ignored, or even tailored to fit their interests. It is when the legal bases, against which corrupt practices are usually evaluated and judged, are weak and furthermore subject to downright encroachment by the rulers.

iv. **Grand Corruption**
High level or "grand" corruption takes place at the policy formulation end of politics. It refers not so much to the amount of money involved as to the level in which it takes place: grand corruption is at the top levels of the public sphere, where policies and rules are formulated in the first place. Usually (but not always) synonymous to political corruption.

v. **Petty Corruption**

Small scale, bureaucratic or petty corruption is the everyday corruption that takes place at the implementation end of politics, where the public officials meet the public. Petty corruption is bribery in connection with the implementation of existing laws, rules and regulations, and thus different from "grand" or political corruption. Petty corruption refers to the modest sums of money usually involved, and has also been called "low level" and "street level" to name the kind of corruption that people can experience more or less daily, in their encounter with public administration and services like hospitals, schools, local licensing authorities, police, taxing authorities and so on.

vi. **Legal and Moral Corruption**

Corruption is derived from the Latin verb *rumpere*, to break. According to this approach, corruption is where the law is clearly broken. This requires that all laws must be precisely stated, leaving no doubts about their meaning and no discretion to the public officials. A legal interpretation of corruption provides a clearly demarcated boundary between what is a corrupt activity and what is not. 'If an official's act is prohibited by laws established by the government, it is corrupt; if it is not prohibited, it is not corrupt even if it is abusive or unethical'. (John A. Gardiner, 1993. "Defining Corruption." In: Corruption and Reform 7). The legal approach provides a neutral and static method of adjudicating potentially emotive and perception determined concepts of corruption. An understanding of corruption from law perspective serves to underline a deterioration of self-regulated behaviour and a dependence on the legal approach to determine right from wrong. The complexities of modern governance and a proliferation of corruption scandals have corresponded with a proliferation of complex corruption legislation.

Legislating for behaviour warrants focus upon the legality of an action and not the morality of that same action. Morality is increasingly being legislated for in the absence of and a loss of faith *in* self regulated behaviour. Although an act is committed within legal parameters it may lie outside moral boundaries. A corrupt act can be camouflaged by lawful justification. For example, 'undue emphasis on narrow legalism has obscured more subtle yet costly manifestations of misgoverned' where '"legal corruption" may be more prevalent than illegal forms'. (D. Kaufmann, September 2006, Corruption, Governance and Security. In: World Economic Forum. Global Competitiveness Report 2004/2005.)

From this perspective corruption encompasses undue influence over public policies, institutions, laws and regulations by vested private interests at the expense of the public interest. Cultural change, rather than legal change, may be necessary to impede corrupt behaviour. Non-corrupt actions may be within the letter of the law but do not account for the spirit of the law. The legal approach diminishes the role of moral discretion and is constrained by clearly defined edicts.

Corruption may be looked at from the following angles.

i. **Political Corruption:** It is the dysfunction of a political system or institution in which government officials, political, official or employees seek illegitimate personal gain through actions such as bribery, extortion etc.

ii. **Corporate Corruption**: It is the abuse of power by corporate managers against shareholders or consumers. For example, EFCC investigated the cases of corruption that involved personal enrichment of shareholders and depositor's money by the bank executives.

iii. **Putrefaction**: Literally means the decomposition of recently - living bio - matter. However, with the Nigeria State it could be used as an imagery to typify the existing decomposing state of our national fabric ravaged by corruption.

iv. **Data Corruption**: An unintended change to data in storage or in transit corruption (linguistics) the change in meaning to a language or a text introduced by cumulative errors in transcription as changes in the language speakers' comprehension.

v. **Bribery**: As an aspect of corruption, it takes place in many places such as in politics, business or even in sport. Bribery was defined as corruption in the administration of justice. The modern concept of bribery includes the voluntary gift or receipt of anything in value in order to carry out an official task.

vi. **Police Corruption**: There are numerous forms of Police Corruption. They range from taking small gifts or payment from business people and the populace. In Nigeria, issue of corruption among the police cut across the all ranks. The junior policemen extort money in the open place along the major roads from especially the commercial motorists. To the extent that if these motorists refuse to give them it has resulted to cases of killing of innocent people. The cases of Senior Policemen Corruption are different ranging from misappropriation and embezzlement of police allocation and even collecting bribes from offenders and in some case set them free without prosecuting them in the law court.

In many occasions in Nigeria, Police have been subject of ridicule because of their atrocities during election. Police are used to harass the opponent and they also involve in the rigging of election. Extortion refers to obtaining property from others by wrongful use of actual or threatened force, fear, or violence or the corrupt taking of a fee by a public officer.

Causes of corruption in Nigeria

Corruption is defined as an illegal act of using one's own position in one's own interests or to one's own personal advantage. Many people have argued that corruption has become embedded in our society.

The major causes of corruption in Nigeria are the following:

i. Weak Government Institutions.
ii. Poor Pay Incentives.
iii. Lack of Openness and Transparency in Public Services.
iv. Absence of key and Corruption Tools.
v. Ineffective Political Processes.
vi. Culture and Acceptance of Corruption by the Populace.
vii. Absence of Effective Political Financing.
viii. Poverty.
ix. Ethnic and Religions Difference.
x. Resource Scramble.

Reasons why the fight against corruption in Nigeria is not working:

i. Insincerity of Government
ii. Pre bargaining and Negotiation: highly placed officials caught of corrupt practices are made to part with some of their looted funds and are thereafter set free.
iii. Low deterrent: the punitive measures for corruption practices need to be strengthened.
iv. Lack of Virile Political and Social Movements to tackle corruption. The majority of the people are yet to be mobilized in the fight against corruption.
v. Lack of access to public information. A lot of secrecy still pervades Government documents.
vi. Insecurity of Informants. There is need to enact laws to protect informants as well as reward them.
vii. Low public participation in Governance.
viii. Corrupt Electoral System.
ix. Nepotism.
x. Systemic Disorder.
xi. Weak Government Institutions

One of the major challenges that has faced the Nigerian Nation over the year is the issue of corruption and its debilitating ancillaries - bribery, graft, fraud and nepotism. The genesis of this dilemma can be traced to when oil took over from groundnuts in the North, cocoa in the West and rubber in the East and became the nation's main sources of National income. The earning from the sales of crude oil opened Nigeria to inflow of large sums of money. The military government at that time were involved in many gigantic projects especially infrastructures such as roads, bridges,

airports etc. Huge amount was spent on Festac 77. The result of this was huge contracts were awarded without regard for normal processes. Government also spent money on projects without much control paving the way for corruption to take place. Corruption in Nigeria undermines democratic institutions, retards economic development and contributes to government instability. Corruption attacks its foundation of democratic institutions by distorting electoral processes, preventing the rule of law and creating bureaucratic quagmires whose only reasons for existence is the soliciting of bribes. Economic development is stunted because outside direct investment is discouraged and small business within the country often find it impossible to overcome the startup costs required because of corruption.
Kofi Annan equally asserted that "corruption hurts the poor disproportionately by diverting funds intended for development. Undermining a government's ability to provide basic services and discouraging foreign investment and aid.

Agencies established for combating corruption in Nigeria

i. **Economic And Financial Crimes Commission (EFCC)**
The Economic and Financial Crimes Commission (EFCC) was formed in 2003. It is a Nigeria law enforcement agency that investigates financial crimes such as advance fee fraud (419 fraud), corruption, money laundering etc. It was established partially in response to pressure from the Financial Action Taskforce on money laundering (FATF), which named Nigeria as one of 23 countries non - cooperative in the International Community's efforts to fight money laundering. The Agency has addressed financial corruption by prosecuting and convicting a number high profile corrupt individuals ranging from Nigeria's former chief law enforcement officer to several Bank Chief Executives.

ii. **Independent Corrupt Practices And Other Offences Commission (ICPC)**
Independent corrupt practices and other related offences commission was inaugurated on September 29, 2000 by the Nigeria President, Chief Olusegun Obasanjo (GCFR).The commission is at the hub of Nigeria's fight against corruption. The main duty of the commission is to receive complaints, investigate and prosecute offenders. Other duties include education and enlightenment of the public about and against corruption and related offences. The commission also has the task of reviewing and modifying the activities of the public bodies, where such practices may aid corruption.

The government's campaign against corruption manifests also in the setting up of the Due process office. This office oversees and demands that standard processes be followed in the execution of government activities and projects, thereby blocking avenues for bribery and corruption. They investigate official act already done or to be done or with the corrupt intent to influence the action of a public official or any person involved with the administration of public affairs.

Economic Crimes

Okolie (2006) described economic crimes as the manifestation of a criminal act done either solely or in an organized manner with or without associates or groups with an intent to earn wealth through illegal means, carrying out of illicit activities which violate the laws of the land and other regulatory statutory provisions governing the economic activities of the government and administration.

Ribadu (2004) opined that cases that involve economic and financial crimes are often intricate and involves papers and subjects that are technical and also requires an investigator that is well-schooled to unearth it. Adegbite and Fakile (2012) asserted that forensic accounting is a financial (monetary) move towards controlling and resolving crimes (economic and financial) in the economy of Nigeria. To them, in the financial statements forensic accounting provides investigative accounting. Stanbury and Paley-Menzies (2010) sees it as a science that is used in information assembling and presenting in a way that is acceptable by a court having jurisprudence that is not in favour of economic and financial crimes perpetrators. Howard and Sheetz (2006) asserted that the emergence of forensic accounting in recent times was in response to the development of the rising occurrence of frauds and malpractices in corporate management.

Types of Economic Crimes

Economic crimes are indeed a serious threat to the public sector and therefore a threat to the nation since the public sector is the heart of the nation. The existence and prosperity of a nation can be held to ransom by the activities of economic crimes perpetration. Some forms of economic crime are advance fee fraud, fraud, money laundering and embezzlement of government funds; these are explained below.

i. Advance Fee Fraud

Advance fee fraud is a criminal offence defined and punishable under section 419 of the Nigeria criminal code. Statutory section 419 of the criminal code of Nigeria provides thus any person who by any false pretence and with the intent to defraud, obtain from any other person anything capable of being stolen is guilty of felony and is liable to 3 years imprisonment. The scam popularly known as “419” was initially subsumed under the category of criminal offences which have described as “obtained under false pretence” but now it under the EFCC Act. Syndicates as it is widely known outside our borders, initiate the scam with members in different parts of the world strategically located to implement their different tasks.

ii. Embezzlement

Embezzlement is defined as “the misappropriation of property or funds legally entrusted to someone in their formal position as an agent or guardian”. Systematic and/or grand scale embezzlement of public funds seriously undermines the capacity of the state to manage resources and deliver services

(Abel & Blackman 2014). This has been the case in Nigeria, where in spite of huge economic growth in the past years the government has failed to manage and re-distribute resources fairly (Human Rights Watch 2012).

Academic and newspaper articles as well as investigations conducted in countries such as the US and the UK provide an overview of how embezzlement takes place, which areas of public administration are affected, its magnitude and who is involved (Ikejiaku 2013; The Guardian 2012; US Department of State 2014). However there is little detailed information about the legal loopholes and institutional weaknesses that allow officials to embezzle public money while remaining unpunished.

iii. **Fraud**

Fraud arises from the exposure of illegal financial activities within the public and private sectors of the economy perpetrated by executives and all cadres, such illegal activities involve to a large extent, missing or misdirecting funds, over stating expenses, understating revenue, improper foreign exchange dealings within and outside the banks, embezzlement, illegal capital transfer, illegal currency manipulation and large scale banking and insurance fraud, which form the centre piece of fraud that have contributed in keeping investors away. Nigeria has remained underdeveloped, as it is certain that nation with high incidence of fraud cannot develop (Owojori and Asaolu, 2009). Fraud in developed economies is often reported in both private and public sectors. The problems in developing Third World nations particularly Nigeria is that fraud is common and affects a lot of citizen and in most cases perpetrators get away with the act. This is to say that, only in few instances are the nefarious act uncovered on time, investigated, prosecuted and adequate punishment given.

iv. **Money Laundering**

Money laundering is a process by which illegal resources or proceeds of crime are converted into apparently legal resources thereby concealing or disguising their criminal origin. Hiding wealth or sources of wealth is by no means a new phenomenon. What is perhaps new is the complexity of methods by which it is been committed as well as the international attention it generated in this century. Money laundering is a transformation process for the proceeds of criminal activities such as drug trafficking, armed robbery, prostitution, gambling, arms deals, fraud, embezzlement of public funds, obtaining by false pretences and many other acts which the law forbids.

Theoretical Framework

Modenization Theory and Game Theory was used for this study.

Modernization Theory

One of the theories of corruption is the Modernization theory. In the word of Huntington 1968, one of the theorists of modernization cited by Adefulu (2007) he observed that: the process of economic and political development in modernizing societies tends to breed inequality, political instability and corruption which may be defined simply in terms of the use of public powers to achieve private goals. Earnestly worked after the (1955) Bandung Conference of the Non-Aligned movement. Modernization theorists explained that: the causes, scale and incidence of corruption and corrupt practices in pre-colonial African states in terms of the logic of patrimonialism, neopatrimonialism, prebendalism, and patro-clientelism and the main proposition common to all these theories of corruption centres on the view that extractive corruption in African (and elsewhere in developing countries) is one of the un-salutary consequences of grafting modern political structure and processes on indigenous socio political structures which function on the basis of old values and obligation.

In spite of the presumed benefits of mixed government pin pointedly Sklar (2003) as reported in Adefulu (2007) the incidence of corruption in Africa is seen as an outcome of the behaviour of public officials which deviates from the accepted norms, and which also signifies the absence of effective political institutionalization that makes it difficult for these officials to divorce their public roles from private ones, thus prompting them to subordinate their institutional roles to exogenous demands'.

Game theory

One theory that explains the prevalence of public sector corruption is the game theory. This theory borrows from economic literature and seeks to provide rationales for corrupt decisions by public officials. In particular, Macrae (1982) suggests that corruption is part of a rational calculus and an integral and often deeply rooted method by which people take decisions. In this context, individuals face a "prisoner's dilemma", which "illustrates a conflict between individual and group rationality" (Kuhn, 2019). The individual fears a disadvantage if she refuses to engage in corrupt practices while other individuals do not refuse to do so in the same situation. As a result all individuals obtain some sort of benefit which, however, is always less than the benefit that each of them would have obtained if they refused to engage in corrupt practices. This is illustrated, for example, in the area of public procurement, where participants in corruption include private sector actors that are unsure of the actions of others. The fear of being outdone by competitors acting illegally or unethically thus motivates otherwise ethical companies to engage in procurement corruption. It should also be noted that various situational and psychological factors could play a role in fostering unethical behaviour, sometimes despite an individual's best intentions to act ethically.

Empirical Reviews

Rotimi, Obasaju, Lawal & Ise Olorunkanmi (2013) argued that the futile attempt by the government to fight the cankerworm stems from the fact that the government itself is greatly infected with the virus and an average Nigeria is seen as corrupt in most part of the world. It appears that corruption has become deep-rooted in Nigeria as a result of the fact that, people from other countries now see it as part of the tradition of the Nigerian society. Very little or no study has been done in the area of evaluating the impact of corruption on economic growth and cultural values in Nigeria. It is against this background that this study intends to fill the gap by addressing the relationship.

Odey and Ashipun (2013) noted that most of these policies made by the Nigerian government are still altered by the custodian of power and authorities in the state. In the same vein, Ughorojeh (2008) lamented that while all successive governments have been time and care to identify and condemn the evil corruption plaguing the Nigerian economy, not much efforts has been made to combat it. Similarly, Onoge (1983) noted that corruption has persisted in the country despite efforts to rout it out, noting that its rate and scale is increased enormously in the oil boom days.
Recently, the Nigerian government also set up strategy or fights against corruption under the leadership of Buhari (Nigerian President) with stringent penalties put in place for offenders. According to Odey and Ashipu (2013), ethics is intrinsically related to morality and it is also related to religion which is a product of people's culture. Thus, considering the intensity of government efforts in instilling discipline and eradicating corruption in Nigeria in order to transform and re-orientate the cultural values in Nigeria.

In the similar vein, several studies have also shown the negative effect of corruption on economic growth in Nigeria (Enofe, Oriaifoh, Akolo, and Oriaifoh, 2016) and Adenike (2013). Thus, the effect of corruption on economic growth in Nigeria cannot be overemphasized. Also, Guru and Abdul noted that corruption has a significant negative effect on economic growth and development. Adewale (2011) posits that although corruption is a universal phenomenon, its magnitude and effects are more severe and deep-seated in Nigeria.

Methodology

The study used the descriptive (trends analyses) and analysis of variance (ANOVA) *a method for comparing variation between two or more mean measure in different situations and is used when the full sample is divided into several groups based on one or more non-metric independent variables and the dependent* variables analyzed are in metric dependent variables. Data used for this study consist of both primary and secondary data. Primary data was collected through the use of oral interview, While secondary data were sourced from; library, internet, journals, and from an international research institute 'transparency International'. The oral interview was used to obtain data on people personal opinions, and also character of the Data.

Discussion of Findings

The longtime reign of corruption in the country has impacted negatively on economic growth in Nigeria and it has also decayed or deteriorated the country's cultural values.

The result shows that the Relatively Corruption ranking has significant difference between countries economic growth, Nigeria ranking is negative due to poor record on public sector Corruption. Other corruption indices such as Corruption Perception Index and Corruption Rank which are presented in an inverse form had positive impact on the growth of the Nigerian economy likewise corruption. This explains that the higher level of Corruption Perspective Index in the country retards or impairs economic growth. The short-run estimates revealed a negative but insignificant speed of adjustment implying that initial deviations (incident by corruption indicators) in Corruption Perspective Index does not significant adjust to the long-run in Nigeria at 5% critical level. However, it converges to long run equilibrium by 0.05% yearly.

The problems of the legislation and action planning as well as community sensitization refers to the best organizational model to combat corruption. The implementation of a risk management system and introduction of investigation and prosecution mechanisms can be effective in reducing corruption. The institutional approaches (EFFC, ICPC, etc) are still the most effective instruments in controlling corruption if they are properly applied without selective, judgment could yield a positive result. *Therefore, we can conclude that there is positive response on Corruption Perspective Index of country and Corruption Perspective Index par year.*

Conclusions

The study concludes that the long-time reign of corruption in the country has impacted negatively on economic growth in Nigeria. It has also decayed or deteriorated the country's cultural values. The negative impact of corruption on economic growth and the decaying standard of Nigerian cultural values have necessitated the need for value reorientation in order to bring redemption to the country's national character and image.

Recommendations

i. The enforcement mechanisms and probability of being caught should be increased to discourage corrupt habit.
ii. Therefore combined effort by the citizen and government is required for sustainable economy through high Corruption Perspective Index which in turn will encourage future investors.
iii. Government should be proactive on over side that lead to low Corruption Perception Index and also be ready to be faced with the challenge to increase transparency and accountability in all government activities.

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BOARD CHARACTERISTICS AND TUNNELLING: AN EMPIRICAL ANALYSIS OF CONSUMER GOODS COMPANIES IN NIGERIA

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Abstract
The study investigated the relationship between board characteristics and directors tunnelling of consumer goods companies in Nigeria. To achieve the objective, board characteristics key proxy variables were used in the study, namely board size and boards independent while directors tunnelling which is the dependent variable on the other hand is represented by director's pay. Two hypotheses were formulated to guide the investigation and the statistical test of parameter estimates was conducted using Pearson Correlation Method. Ex-post facto research design was adopted and data for the study were obtained from the Nigerian Stock Exchange Factbook and the published annual financial reports of the selected consumer's goods companies listed on Nigerian Stock Exchange (NSE) with data spanning from 2012 - 2019. Analyses of data indicated that board size is positive and has insignificant effect on tunnelling of quoted consumer's goods companies in Nigeria; while board independent is negative, but does not have any significant effect on tunnelling of quoted consumer's goods companies in Nigeria. The study suggests among others that in order to ensure the shareholders' returns, corporate organizations such as consumer goods firms should be mindful of the appointment of the board members and such should be based on expertise, character and professional qualifications as well have more outside directors in the size of the board.
Key words: board characteristics, tunnelling, board size, board independent, Nigeria.

Introduction

In unique business conditions, the parts of both current and arising boards of directors are feeling the squeeze as they try to embrace testing obligations. Today, boards of directors are relied upon to perform something other than checking organization execution (Finegold, Benson and Hecht, 2007). They need to give vital counsel and help deal with a firm during an emergency (Daily, Dalton and Canella, 2003). In guaranteeing that they play out the above jobs adequately, various researchers have recognized the significance of able board individuals who can contribute cleverly towards the maintainability of firms' capacities (Carter and Lorsch, 2004; Leblanc and Gillies, 2005; Levrau and Van nook Berghe, 2007a). Because of the significance of individuals from boards of directors, it is indispensable to distinguish the attributes that make them viable. As Coulson-

Thomas (1992) asked, consequently the mentalities and practices of directors are of more than scholarly premium, with Leblanc (2003) calling attention to that their effects are probably going to impact corporate resolve and, thus, generally execution.

In developing countries, there has been a developing interest in the issue of Related Party Transactions (RPTs) as of late. These issues are viewed as basic in non-industrial nations that have the attributes of low degrees of financial backer security, law authorization and gathering structure. Absence of divulgence of RPTs and low financial backer insurance in these nations have made it hard for clients of budget summaries to evaluate whether a specific exchange was made for monetary, procuring the board, or tunnelling purposes. Johnson, La Porta, Lopez-de-Silanes and Shleifer (2000) characterize tunnelling as moving of assets out of an organization to help its controlling investors. Bae, Kang and Kim (2002) portray that tunnelling practices could go from through and through robbery or extortion to dilutive offer issues which victimize minority investors. There is a lot of observational proof of organizations utilizing RPTs for tunnelling purposes.

Tunnelling is especially genuine in arising economies because of poor corporate administration frameworks that neglect to secure minority investors and corporate proprietorship structures that advance confiscation sharp conduct (Liu and Lu 2007). In spite of the fact that different strategies for tunnelling have been recommended, a large part of the experimental exploration centers around RPTs. Feeble corporate administration frameworks and winning corporate designs in numerous countries around the world, give an incredible breadth to RPTs to be a helpful instrument for the seizure of firm an incentive from minority investors (Cheung et al 2009; Gao and Kling 2008; Liu and Lu 2007). There is a view that RPTs are a high danger factor for financial backers (Cheung et al. 2009; Kohlbeck and Mayhew 2010). Harsh RPTs have progressively become a test to the uprightness of the Nigerian capital market (OECD, 2009).

A staggering topic of earlier observational tunnelling research is the changing impact of corporate administration, regardless of whether at the public or firm-level. In the present globalized, 'corporate administration' is an oftentimes utilized expression some of the time utilized as a comprehensive idea however at different occasions cast in a thin edge of reference. In spite of the fact that there has been a lot of corporate administration banter in ongoing many years, the basic idea isn't surely known with an absence of agreement on a proper definition and applied limits. At a public level, overall sets of laws and financial backer insurance are simply parts of a more extensive framework.

In tending to this issue, the current examination centers around exploring the connection between attributes of individuals from board of directors and tunnelling exercises of recorded customer merchandise organizations in Nigeria.

Up until this point, considers that emphasis on the directors tunnelling is still extremely restricted and the outcomes have been uncertain. For models, Gao and Kling (2008), Lo, Wong and Firth (2010), Yeh, Shu and Su (2012) and Haβ, Johan and Müller (2016) found that general board attributes practices could forestall burrowing exercises, though Cheung, Jing, Lu, Rau and Stouratis (2009a), Li (2010), Juliarto, Tower, Van der Zahn and Rusmin (2013), and Shan (2013) found that the general board qualities factors couldn't clarify the corporate conduct comparable to tunnelling. Notwithstanding the quantity of studies have researched the nexus of board attributes, and burrowing in corporate association across the globe (Juliarto, et al 2013; Ridwan, Fitri and Berto, 2015; Ratna, Fatimah and Hadrian, 2016).

Further, considering the board qualities ascribes and tunnelling connections, earlier investigations have discovered the outcomes to be blended. Melsa, Hakan and Burcin (2010) found that autonomous directors lessen firm execution and this negative impact was significantly more significant during the new monetary emergency; Juliarto, Tower, Van der Zahn, and Rusmin (2013); Ratna, Fatimah and Hadrian (2016) establishes a positive relationship between administrative proprietorship and the degree of tunnelling; likewise, to the most amazing aspect our insight there are no examinations that have explored the board trademark in affecting directors tunnelling in firms inside the Nigerian setting utilizing customer goods organizations, subsequently giving avocation to future investigation. Based on these, the researchers examined the following objectives to guide the study.

1. To determine the relationship between Board size and directors tunnelling of consumer goods companies in Nigeria.
2. To examine the relationship between boards independent and directors tunnelling of consumer goods companies in Nigeria.

The paper is organised as follows' the next section reviews relevant literature with regards to context justification and provide a theoretical background for the study, respectively. Next describes the sample data and empirical methodology. The last section summaries the main results, offers conclusion and recommendations.

Review of Related Literature

Tunnelling

As the primary analysts to utilize " tunnelling " to depict the abuse of organization assets by controlling investors, Johnson et al. (2000) list a few strategies by which it is accomplished: moving development openings having a place with recorded organization to themselves or their auxiliaries; moving benefits by means of intra-bunch exchanges from recorded organizations to different auxiliaries they own or control; utilizing resources or capital having a place with the recorded organization or utilizing them as insurance or certifications for their financing exercises; and capital tasks pointed toward weakening the interests of different investors. Friedman et al. (2003) propose a model indicating how enormous investors passage or prop recorded organizations in various monetary positions. Then, organizations with a pyramid possession structure are bound to be tunnelled, however are bound to be propped when confronting unfavorable stuns.

In the Chinese capital market, Yu and Xia (2004) locate that connected gathering exchanges are altogether more common in organizations with controlling investors. Li et al. (2004) finds that the utilization of recorded organization assets by controlling investors shows a rearranged U-formed nonlinear relationship with the extent of value held by the biggest investors. Wang and Xiao (2005) locate that the utilization of assets by the 10 biggest investors for related gathering exchanges is essentially more uncommon in recorded organizations with institutional financial backers and that an increment in the stake held by institutional financial backers is fundamentally adversely identified with the degree of assets utilized by related gatherings in recorded organizations. Chen and Wang (2005) locate that the estimation of related gathering exchanges is altogether decidedly identified with possession focus and that expanding the quantity of controlling investors holding over 10% diminishes both the likelihood of related gathering exchanges happening and the estimation of such exchanges. Jiang and Yue (2005) locate a negative connection between the utilization of assets by huge investors and future benefit in recorded organizations, and show that the utilization of assets by enormous investors negatively affects the organization. Gao et al. (2006) presume that tunnelling by controlling investors is exacerbated by proprietorship fixation and business bunch control, yet is hindered by administrative possession and asset property, data revelation straightforwardness, financial backer security and item market rivalry.

Director's pay (DIPAY)
Director's tunnelling is the exchange of organization assets out of its investor by the board of director members. This may come in two; a controlling investor can move assets utilizing the CEO (which he is instrumental in delegating) from the firm for his own advantage through self-dealings exchange. Such exchange incorporate robbery or misrepresentation which is illicit yet additionally resources deals and agreements, for example, move evaluating invaluable to the controlling investor, inordinate leader remuneration, credit ensures, confiscation of corporate freedoms. Second, the controlling investor can expand his offer in the firm without moving any resource through dilutive offer issues, right issue, and minority freeze out insider exchanging, crawling procurement or other monetary exchanges that separate the minority investor. Tunnelling can be done through high compensation scheme to be board members. As indicated by Weisbach (2007) CEOs have significant impact over their own compensation by giving an alternate arrangement of motivating force to directors. They are power specialist that can move the leading body of chief's concentration to consider their own advantages instead of the interest of investors

which they address. As per Weisbach (2007), chiefs have motivation to keep their positions and CEOs can give advantages to chiefs from various perspectives. Moreover, CEOs can utilize their impact to assist directors with accomplishing extra advantage. Accordingly the directors have motivators to follow up in the interest of the CEOs. This give and take connection between the chiefs and the CEOs has made the Directors pay go under expanded public investigation particularly in most created nations. Consequently the utilization of value based remuneration as a persuading apparatus for directors has been a significant focal point of numerous discussions. The subsequent concerns have prompted requests for more prominent straightforwardness in director investment opportunity programs and, perhaps, the elimination of the programs altogether. Since additional incentives are tied to performance, CEO tries all within their reach to improve and increase their performance.

Board of Directors/ Board Characteristics

This is frequently viewed as one of the significant wellsprings of observing association's behaviors and execution. It is answerable for recruiting and terminating heads, setting leader pay and settling on key choices in the existence of the firm (Nnubia, 2015). The leading body of coordinates ought to on a basic level be one of the significant checks one the administration. It is straightforwardly chosen by the investors to follow up for their benefit. An undeniable degree of freedom is significant for it to play out its observing obligations all the more adequately.

Standard great corporate administration components are helpful in ensuring the interests of minority investors by forestalling deft practices made by the controlling investors. Nnubia and Kornom-Gbaraba (2018) and Lins and Warnock (2004) depicted two basic corporate administration instruments that organizations can utilize: inward and outer corporate administration systems. Inside corporate administration components, which comprise of control structure and corporate design. Outer corporate administration components comprise of the standard of law and market of corporate control. It has been proposed that corporate administration practices may contrast across various institutional settings and various nations (Nnubia, Ofoegbu & Nnubia, 2020; Filatotchev, Jackson & Nakajima 2013). The focal point of this investigation is on the inward corporate administration instruments in Nigerian recorded organizations.

Board size

Board size alludes to the quantity of directors sitting on the board (Levrau and Van sanctum Berghe, 2007a). Board size has been found to change between one country and another. For instance, sheets in Europe, in three nations (the UK, Switzerland

and Netherlands) will in general have a little board size (less than ten board individuals), while different nations (for example Belgium, France, Spain, Italy and Germany) have a bigger board size, for example somewhere in the range of thirteen and nineteen individuals (Heidrick and Struggles, 2007b). In Australia, board size has a normal of seven individuals (Korn/Ferry International and Egan Associates, 2007).

While thinking about the size of the board, there is a compromise among points of interest and drawbacks. A few researchers see a little board as more powerful in light of the fact that it is not difficult to facilitate and will in general be more firm (Hossain et al., 2001; Kiel and Nicholson, 2003; Mallin, 2005). Nonetheless, Conger and Lawler (2009) contended that there is no enchanted or ideal size for a board and the correct size for a board ought to be driven by how successfully the board can work as a group. Then, from the asset reliance point of view, bigger sheets are imperative to give assets that are significant to the firm (Hillman et al., 2000; Taschler, 2004). This relationship is grounded in the view that board size is identified with a company's capacity to get to basic assets and the outside climate (Hillman et al., 2000; Hillman and Dalziel 2003). From an organization viewpoint see, bigger sheets give compelling observing by lessening the control of the CEO (Nnubia & Kornom-Gbaraba, 2017; Harris & Raviv, 2004). Regardless of the above preferences, Gabrielsson and Winlund (2000) contended that bigger blocks could end as authoritative bodies as opposed to as working gatherings.

Independent Directors

The standard view is that the governing body is more autonomous as the quantity of outside chiefs' increments. Executive directors are not liable to self-screen viably the exhibition of the CEO in light of the fact that their vocation is intently attached to the occupant CEO (Jensen 1993). A few investigations show that board enrollment is identified with the level of organization issues at a firm. The bigger the level of outside chiefs, the greater probability of (I) an external leader being named (CEO) (ii) a non-performing, CEO to be excused and (iii) critical positive offer responses. Nonetheless, Hermalin and Weisbach (1999) give proof of no critical connection between board arrangement and execution while Yermack additionally shows that the level of outside chiefs doesn't irrelevantly influence firm.

According to control structure, past investigations have discovered that the extent of autonomous individuals in the board has a negative connection with move valuing controls (Chen, Firth, Gao and Rui 2006; Gao and Kling, 2008; Lo et al. 2010; Shan 2013), a positive relationship to monetary execution (Brickley, Coles and Terry 1994; Byrd and Hickman 1992) and a negative effect on monetary misrepresentation (Beasley 1996; Dechow, Sloan and Sweeney 1996). These discoveries infer that autonomous board individuals could offset the impact of the controlling investors, and appropriately lead to better corporate administration practice.

Agency Theory

One of the hypothetical standards underlining the connection between the investor and the director is the organization hypothesis created by Jensen and Meckling in 1976. Financial backers have excess assets to contribute yet because of specialized imperatives like deficient capital and administrative ability to deal with the assets, utilize the administrations of directors to put their assets in productive dares to create great returns and the administrators compensated for their administration.

Organization issue anyway emerge because of the division of possession from the executives and the distinctions in interest between the investor and the administrator they utilized. Consequently, office issue as depicted by Jensen and Meckling (1976) happen when there is a dissimilar in revenue between the investor and the director, the chief will generally seek after various plan other than the one set by the investor, this might come in type of assets confiscation by supervisor illuminate regarding tunnelling like outright theft, such as transfer pricing, asset stripping, and investor dilution, loan to associate, etc, this can also take the form of diversion of corporate opportunities from the firm, installing possibly unqualified family members in key managerial positions, or overpaying executives, using the profits of the firm to benefit themselves rather than return the money to the investors (La Porta et al., 2000 as cited in Nnubia & Obiora 2018). Because of the interest of the shrewd, self-intrigued supervisors, there was an organization misfortune which is the degree to which gets back to the lingering petitioners, the proprietors fall beneath what they would be if the proprietors, practiced direct command over the organization (Jensen and Meckling, 1976). Because of their own advantage, chiefs will more often than not center around the use of resource and execution of firm that can propel their point regardless of whether it to the detriment of the investor. Chiefs can embank on resource stripping and later purchase lower resource gave they will make money to themselves.

Empirical Review

Studies have been completed on tunnelling in corporate substances across the globe, the investigation of Nwakoby, Ezejiofor and Ajike (2018) look at the relationship that exists between the board qualities and directors tunnelling of aggregates firms in Nigeria. The particular goals are: to decide the relationship exist between Board size and related gathering exchange of cited combinations firms in Nigeria and to determine the relationship exist between board autonomous and related gathering exchange of cited aggregates firms in Nigeria. Ex post certainty research plan and time arrangement information were received. Figured theories were tried utilizing different relapse and Pearson Coefficient Correlation with help of SPSS Version 20.0. The investigation found that board size has negative huge relationship on related gathering exchange of combinations firms in Nigeria. Another finding is that board autonomous has positive critical relationship on related gathering exchange of combinations firms in Nigeria. In light of the discoveries of the examination, the investigation prescribes that to guarantee the shareholders‟ returns, corporate associations should urged to delegate board individuals dependent on mastery, character and expert capabilities to have more external chiefs in the size of the board.

Nnubia and Obiora (2018) researched the impact of directors tunnelling on firm execution of cited organizations in Nigeria. An example of 15 Nigerian buyer products firms recorded on Nigerian Stock Exchange for a time of a long time (from 2010-2017) was chosen. The fundamental kind of information utilized in this examination is optional; sourced from the Nigerian stock trade reality book. This examination applied ex post facto research plan. The information gathered were broke down utilizing Ordinary Least Square Method. The outcomes show that for the Nigerian recorded customer merchandise firms, the informative factors Chairman's compensation and Director's value holding has negative huge impact on the reliant variable – resource use (Performance); though Board of chief's compensation is positive and fundamentally affects the resource use (Performance). The investigation, along these lines suggests among others that the administrator and other board part pay ought not be fix by the CEO rather it ought to be fixed by the whole investor during the yearly regular gathering to diminish the impact of the CEO and the give and take legislative issues of the board.

Ratna, Fatimah and Hadrian (2016) built up a location model to recognize related gathering exchanges that can be classified as tunnelling exercises. Besides, this examination likewise looks at whether board qualities instruments can clarify the burrowing exercises. The principle discoveries of this examination propose that organizations, in Indonesian recorded organizations, with concentrated possessions have a more noteworthy propensity to manage burrowing exchanges contrasted with organizations with scattered proprietorships, and the by and large corporate administration instruments executed by the organizations couldn't be utilized as indicators for burrowing conduct.

Nurazi, Santi and Usman (2015) research the connections between corporate administration factors and tunnelling exercises in Indonesia. Utilizing 2216 firm-year perceptions from 2005 to 2012, they locate that few corporate administration factors add to clarifying the wonder of burrowing in Indonesia. The information uncover that roughly 276 firms had encountered confiscation through burrowing, especially seizure from larger part to minority investors, which can be distinguished through the connected party exchange. They find that organizations with family and state possession will in general experience burrowing. This outcome is reliably uncovered when we separate the information into eight businesses. We report that the SINGLE proprietorship variable, which portrays family possession, the STATE possession variable, and the LEVERAGE variable impact TUNNELING. Interestingly, the institutional (INST) possession variable impacts TUNNELING. Be that as it may, BOARD_SIZE, OUTSIDERS, GROUP proprietorship, and BIG FIVE examiner factors have no critical impact on TUNNELING exercises.

Ridwan, Fitr and Berto (2015) explore the connections between board attributes factors and tunnelling exercises in Indonesia. Utilizing 2216 firm-year perceptions from 2005 to 2012, the examination locate that few corporate administration factors add to clarifying the marvel of burrowing in Indonesia. The information uncover that around 276 firms had encountered confiscation through burrowing, especially seizure from dominant part to minority investors, which can be distinguished through the connected party exchange. They find that organizations with family and state possession will in general experience burrowing. This outcome is reliably uncovered when they separate the information into eight ventures.

Juliarto, TowerVan der Zahn, and Rusmin (2013) research the degree and the determinants of tunnelling conduct in five ASEAN nations (for example Indonesia, Malaysia, Philippines, Singapore, and Thailand). Related gathering exchanges (RPTs) as credits to related gatherings are utilized as the intermediary for burrowing. With 200 firm-year perceptions over the time frame 2006-2009, this examination finds a positive relationship between administrative proprietorship and the degree of tunnelling. The other significant discoveries are that business climate (BE), unfamiliar proprietorship, and free chiefs are insufficient administration instruments to get control over burrowing conduct.

Roman and Persida (2012) analyze the relationship of chose Board of Directors' qualities and firms' monetary exhibition. Utilizing an example of enormous U.S firms in 2005-2009, the investigation found that the level of insider proprietorship impacts emphatically firm execution, since it decreases organization issues. The age of the Board of Directors matters, in a limited way, also. More youthful individuals are most likely able to bear more chance and to attempt major primary changes to improve company's future possibilities. Then again, they locate that free chiefs diminish firm execution and this negative impact was much more significant during the new monetary emergency. All things considered, their outcomes recommend that corporate administration is significant for company's monetary exhibition.

Yu-hsin (2010) considers the connection between powerless free chiefs, solid controlling investor and directors tunnelling in Taiwan. The investigation utilized essential information and depended on overview plan; the information were gathered utilizing poll from test of chiefs and greater part investors in Taiwan firm. The information were broke down utilizing examination of difference. The finding uncovers that autonomous chief keep up cozy relationship with controlling investor, consequently their independency isn't ensure. It likewise uncovers that controlling investor can burrow assets without oblige from autonomous chief.

Guohua, Charles and Heng (2008) analyze tunnelling in China, utilizing bury corporate credits as proportion of burrowing. The investigation utilized chosen recorded firms in Shanghai Stock Exchange somewhere in the range of 1996 and 2006. The information gathered were investigated utilizing board relapse approach. They report the utilization of between corporate credits by controlling investors to extricate assets from Chinese recorded firms. Utilizing bookkeeping data from public sources, they show how a huge number of RMB were directed from many organizations during the 1996 to 2006 period. In particular, they show the nature and degree of these maltreatments, assess their monetary results, investigate their cross-sectional determinants, and report on the broad endeavors by evaluators and controllers that at last contained this training. By and large, their discoveries shed light on the nature and seriousness of the burrowing issue in China, and the on-going difficulties related with administrative change in the country. The finding likewise uncovers that the chief's motivating forces to burrow firm assets lessen as controlling investor possession increment.

Klien (2004) considered possession construction and directors tunnelling. The investigation utilized 346 S and P 500 firms in USA somewhere in the range of 1992 and 1993. The examination depended on ex post facto research plan and utilized cross sectional information. Strange gathering was utilized as measure for directors tunnelling. The examination finds that organizations with larger part autonomous chief to minority free chief design experience enormous expansion in irregular gathering than other with minority autonomous chief.

Methodology

Research Design, Population, Sample size and Sampling Techniques

This study adopts ex-post facto design. The ex-post facto design was adopted on the basis that it does not provide the study an opportunity to control the variables mainly because they have already occurred and cannot be manipulated. The secondary data used for this study were obtained from the internet, annual financial reports of the selected firms and Nigerian Stock Exchange over a period of 2012 to 2019. The population of this study consist of the total number of quoted consumers' goods companies on the Nigerian Stock Exchange (NSE). The population size of consumers' goods companies quoted on the Nigerian Stock Exchange amounted to 36. Using judgemental sampling method, ten (10) consumers' goods companies were purposively selected based on availability of the required data. The firms selected are PZ Cussons Nig. Plc, Dangote Sugar Nig. Plc, Flour Mills of Nigeria Plc., Guinness Nigeria Plc., Honey Well Flour Mill Nig. Plc, Lives Stock Feed Nig.

Plc, International Breweries Nig. Plc., Nigerian Breweries Plc., Northern Nigeria Flour Mill and Union Dicon Salt Nig. Plc.

Method of Data Analysis

The secondary data collected were analysed using descriptive statistics, correlation and OLS regression analysis. The descriptive statistics were used to evaluate the characteristics of the data such as Mean, maximum, minimum, and standard deviation and also checks for normality of the data. The correlation analysis was used to evaluate the relationship between the variables and to check for multi-colinearity.

Model Specification

The model for the study was premised on the main objective and anchored on the sub-objective. The model was adopted from the work of Nurazi, Santi and Usman (2015) and modified to suite the independents variables used in this study.

The Nurazi, Santi and Usman (2015) model is as follows:

TUNNELING = α + β1SINGLEi,t + β2MULTIi,t + β3BOARD_SIZEi,t + β4OUTSIDERSi,t + β5SHARESi,t + β6BIGFIVEi,t + β7STATEi,t + β8GROUPi,t + β9INSTi,t + β10SALES + β11LEVERAGEi,t + ε

The model for this study is anchored on the objective. Therefore, the above model was adopted and modified as follows:

DIPAY = f(BSIZE, BIND) - - - - - -I

This can be econometrically express as

$DIPAY_{it} = \beta_0 + \beta_1 BSIZE_{it} + \beta_2 BIND_{it} + ų$ - - - -II

Where,

DIPAY = Director's pay

BSIZE = Board size

BIND = Board independent

Ų = the error term

β_0 = the intercept

β_1- β_2 = the independent variable coefficients

Note that the above variables used were based on the availability of required data; though, we should have expanded the model by bring in more variables but we were unable due non availability and accessibility of required data.

Variable Description/measurement

The variables and their proxy were operationlized as follow:

Variables	Measures
Director's pay (DIPAY)	Director's pay / operating expenses (Chena et al., 2014)
Board Size (BSIZE)	The total numbers of all directors of a company
Board independent (BIND)	The non-executive directors to total board size.

Presentation And Data Analysis

The summary of the analysis result and its corresponding interpretations of the relationship between board characteristics and directors tunnelling of consumer goods companies in Nigeria are presented below.

Descriptive Statistics

Table 1: Descriptive Statistics

Variables	Dipay	Bsize	Bind
Mean	0.157000	8.900000	59.18363
Median	0.130000	8.000000	55.56000
Maximum	0.490000	17.00000	90.00000
Minimum	0.070000	4.000000	21.43000
Std. Dev.	0.066302	3.132516	15.65357
Skewness	2.530559	1.045393	0.290451
Kurtosis	11.34972	3.329017	2.474460
Jarque-Bera	317.7756	14.93213	2.045467
Probability	0.000000	0.000572	0.359611
Sum	12.56000	712.0000	4734.690
Sum Sq. Dev.	0.347280	775.2000	19357.70
Observations	80	80	80

Source: *Researcher summary of descriptive statistics (2021)*

Table 1 above shows the mean (average) for each variable, their maximum values, minimum values, standard deviation. The result provides some insight into the nature of the selected firms' data used for the study. Firstly, it was observed that over the period under review, the sampled companies have positive average director's pay (DIPAY) of 0.157000, and this means that the selected firms has a positive director's pay (tunnelling) in the period of the study. The table also reveals a positive average value of 8.900000 for BSIZE and 59.18363 for BIND for the selected firms used in the study. These values mean that within the period under review, quoted firms meet up to 16% of director's pay (tunnelling) on the average within the period under review. The maximum value of BSIZE is 17.00000 and its minimum value is 4.000000, while the maximum value for BIND is 90.00000 and its minimum value is 21.43000. The large differences between the maximum and minimum value shows that the firm's data used for the study are homogeneous.

Correlation Analysis

Table 2: Correlation Analysis

VARIABLES	DIPAY	BSIZE	BIND
DIPAY	1.000000	0.043029	-0.157722
BSIZE	0.043029	1.000000	-0.087360
BIND	-0.157722	-0.087360	1.000000

Source: *Researcher summary of correlation analysis (2021)*

The correlation matrix is to check for multi-colinearity and to explore the association between each explanatory variable and the dependent variable. The findings from the correlation matrix table (table 2 above) shows that director's pay (DIPAY) has a negative association with BIND (-0.157722); and a positive association with BSIZE (0.043029). Board size (BSIZE) has a negative association with BIND (-0.087360). In checking for multi-colinearity, the study observed that no two explanatory variables were perfectly correlated.

Regression Analysis
Table 3: Director's pay (DIPAY) Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.190340	0.037600	5.062228	0.0000
BSIZE	0.000624	0.002390	0.261035	0.7948
BIND	-0.000657	0.000478	-1.374006	0.1734

R-squared	0.725738	Mean dependent var	0.157000
Adjusted R-squared	0.700433	S.D. dependent var	0.066302
S.E. of regression	0.066288	Akaike info criterion	-2.552849
Sum squared resid	0.338342	Schwarz criterion	-2.463523
Log likelihood	105.1140	Hannan-Quinn criter.	-2.517036
F-statistic	1.017110	Durbin-Watson stat	1.935714
Prob(F-statistic)	0.366445		

Source: *Researcher summary of Regression Analysis (2021)*

In testing for the effect of board characteristics on directors tunnelling of consumer goods companies in Nigeria, we adopted regression analysis. In table 3, we presented OLS regression analysis. The result revealed the follows:

Board Size (BSIZE), from the result of our test in table 3 above, we found out that the value of our t-test for BSIZE is 0.261035 with a probability of 0.7948. This probability value is greater than the desired level of significant of 0.05. We accept the null and reject the alternative hypothesis, which says that board size have insignificant effects on the tunnelling of quoted consumer's goods companies in Nigeria. Thus, board size is positive and has insignificant effect on tunnelling of quoted consumer's goods companies in Nigeria at 5% level of significant. This means that increase in the board size will has positive insignificant effect on tunnelling of quoted consumer's goods companies in Nigeria.

The insignificant positive effect of board size on Nigerian corporate tunnelling measured by DIPAY indicates that increasing the level of board size of Nigerian consumer's goods firms will increase the corporate tunnelling of Nigerian consumer's goods firms. Increasing the variable (board size) will bring an insignificant positive effect on corporate tunnelling. This finding were in line with the findings of Sheikh and Khursheed (2017) which found that Takaful companies offered reasonable compensation to CEOs and executives but their performance is weak. The finding were against the results of Nwakoby, Ezejiofor and Ajike (2018) which found that board size has negative significant effect on the dependent variable (tunnelling) of Conglomerate firms in Nigeria.

Board Independent (BIND), in the result of our test in the table 3 above, we found out that the value of our t-statistics for BIND is -1.374006 with a probability of 0.1734. This probability value is greater than the desired level of significance of 0.05. We therefore, reject the alternative and accept the null hypothesis, which says that board independent does not have significant effects on the director's tunnelling of quoted consumer's goods companies in Nigeria. Thus, board independent is negative, but does not have any significant effect on tunnelling of quoted consumer's goods companies in Nigeria at 5% level of significant. This means that decrease in the board independent will has no significant effect on director's tunnelling of quoted consumer's goods companies in Nigeria.

The insignificant negative effect of board independent on Nigerian corporate tunnelling measured by DIPAY indicates that decreasing the level of board independent of Nigerian consumer's goods firms will insignificantly affect the corporate performance of Nigerian consumer's goods firms at 5% level of significant. The finding were also against the results of Nwakoby, Ezejiofor and Ajike (2018) which found that board independent has a positive significant effect on the dependent variable (tunnelling) of Conglomerate firms in Nigeria.

Conclusion and Recommendations

Based on the result, the study concluded that board independent has negative effect on the director's tunnelling (DIPAY) of quoted consumer's goods companies in Nigeria. Though, its negative effect of board independent on DIPAY is statistically insignificant at 5% level; and thus, the study rejects the alternate hypothesis and accepts the null hypothesis. On the board size, the analysis reveals that board size has positive effect on the director's tunnelling (DIPAY) of quoted consumer's goods companies in Nigeria. Thus, the positive effect of board size on DIPAY is statistically insignificant at 5% level. It therefore concludes that, board independent and board size have insignificant effect on director's tunnelling (measured by DIPAY) of consumer's goods companies in Nigeria.

Based on the findings of the study, the study recommends that in order to ensure the shareholders' returns, corporate organizations such as consumer goods firms should be mindful of the appointment of the board members and such should be based on expertise, character and professional qualifications as well have more outside directors in the size of the board.

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RESOURCE MANAGEMENT AND ACCOUNTABILITY IN FINANCIAL SECTOR IN NIGERIA

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Abstract
Resource management is one of the best Indicators of accountability in financial sector in developing and developed countries of the world. However, resource management and accountability in Nigeria leave a lot of room for improvement because of inefficient and ineffective managerial practices among the key players in financial sectors. Studies have shown that resources management is sine-qua-non for the realization of the accountability in financial sector in Nigeria economy. Hence, the article examines resources management and accountability in the financial sector in Nigeria. The financial sector represented by banks and non-banks financial institutions, which is so crucial to the Nigeria economy in terms of its contribution to national financial stability and economic growth. To appreciate, the role of resources management vis-à-vis the accountability in the financial sector in Nigeria. The paper focuses on efficient and effectiveness of financial resources, inventory, information technology, human skills, economic and natural resources management in some Nigeria bank and non-bank industries and their accountabilities, which burden on the unethical practices of their executives. The study employs descriptive statistics, using questionnaire as instrument of data collection. Data were analyzed using correlation and ordinary least square method. The paper observed that, there is strong positive correlation between resources management and accountability in the financial sector in Nigeria. Also there is a significant positive effects of resources management on fiscal, program, and individual accountability in financial sectors upon this finding recommendation were made.
Keywords: *Resources, Resource management, Accountability, financial sector, financial sector reforms.*

Introduction

Prudency in resources management is one of the key components of accountability in the financial sector in developed and developing countries of the world, its shows clever resourcefulness in practical matters. The effectiveness in the functions and services rendered by any sector depend greatly on the management and control of its resources. Accountability on the other hand is an important index in the office of resources management. However, like in financial reporting, if accountability and resource management in the financial sector are based on outdated and unwholesome procedures, principles and practices that inhibit complete and accurate recording and measurement of financial sector's resource input and the resultant outputs stand, it means the true essence is lacking (Augustine, 2012).

The roles of financial sector cannot be overlook. This is because it plays a crucial role in economic development of an economy. As a matter of fact, banking institution exists to carry out financial intermediation in the society among other functions (Amodu et al 2018). It can be said to be a catalyst for economic growth (Kanayo & Obiechina, 2011). Nonetheless, there are still evidences of weakness in it. According to Babajide et al 2013, Nigerian banking system was reported to lack sound corporate governance structure and this resulted to unethical banking practices which led to the dissolution of the board of directors of five deposit money banks and injection of #620bn to revitalize it. Although most of the developed and some of the developing countries have witnessed radical financial sector reform initiatives in term of removal of the erstwhile existing financial repression, creation of an efficient, productive and profitable financial sector, enabling the process of price discovery by the market determination of interest rates that improves allocate efficiency of resources among many other reforms and its impact on their ability to manage available resources and efficiency. Still, the evidences as to whether and how the reforms are remedying the tradition weaknesses of the financial sector is so far limited in Nigeria (Kanayo & Obiechina, 2011).

There is no doubt Nigeria financial sector accountability is lagging behind in the international trend towards a unified global financial providing the prudent resources management required for the discharge of her financial, managerial, program and financial accountability responsibilities. It is also recognized that the existing structures of financial sector resource management and management practices, including financial resources, inventory, human skills, information technological, economic and natural resources as well as accounting information system used in the general financial sector in Nigeria are inadequate to ensure effective utilization of her resources. The system is still vulnerable to financial abuse, inefficiencies such as delays and backlogs, which are also major obstacles to the smooth functioning of the financial system.

This paper undertakes a critical review of resources management and accountability in the financial sector in Nigeria, and carries out an empirical examination of the various aspects of accountability using fiscal, managerial, program and individual accountabilities with the context of the relationship between resources management and accountability in the financial sector in Nigeria.

At the background of these, researchers examined the following objectives to guide the study.

- Examine the relationship between information technology, financial resources and fiscal accountability in the banking sectors.
- Examine the relationship between human skills, inventory, economic resources and managerial accountability in banking sector.

- Examine the effect of resource management on the accountability in the bank sector.

The paper is organised as follows' the next section reviews relevant literature with regards to context justification and provide a theoretical background for the study, respectively. Next describes the sample data and empirical methodology. The last section summaries the main results, offers conclusion and recommendations.

Review of related Literature

Conceptual Reviews

Concept of Resources Management

According to Oluwafemi & Tolu (2016), Resources management can be seen from various perspectives, the term "resource" could mean so many things, it can be referred to as, financial resources, human resources, production resources, information technology resources etc. This paper will conceive it (resource management) in general term. Resource management is therefore described as the efficient and effective deployment and allocation of an acquired organization's resources. When an organization's resources are effectively and efficiently shared to various unit as needed, the resources are said to be adequately managed. When these resources are not well managed, the expected result becomes impossible. In essence, resources management is a means of allocating resources in a bid to achieve the greatest organizational value by reducing waste and duplication, streamlining and automating processes and maximizing and speeding throughput (Scott, 2022). Good resource management results in the right resources being available at the right time for the right work. Such resources may include the financial resources, inventory, human skills, production resources, or information technology and natural resources. Resource management is all about transparency and it helps minimize idle time and over utilization of resources as the required project/work can be seen, monitored and attained.

Concept of Accountability

Olowu (2002) describes accountability as being answerable for one's actions or behavior. It requires that those who holds positions of public trust should account for their performance to the public or their elected representatives. Oluwafemi & Tolu (2016), stated further that it involves the development of standards for evaluation purpose as this will help the owner(s) of an organization to evaluate the performance of duties by individuals and units within the organization. According to them, accountability in respect of resource management has three crucial components; a clear definition of responsibility, reporting mechanism, and a system of reviewer; comparing the standard with the actual, then reward and sanctions. Accountability flows in two dimension: upward -downward which means it is a flow of responsibility from subordinates and superiors and literally among professional peer. Okpala (2012) defined accountability as the duties of persons or entities entrusted with public or organization resources to be answerable for the fiscal, managerial and program responsibilities that have been conferred on them and to report to those that have conferred these responsibilities. Essentially, accountability ensures that people entrusted with public or corporate funds have a duty to report the way in which the resources were allocated or applied and the results achieved. There are some criteria that are regarded as basic to accountability. The criteria are fiscal or financial accountability, managerial accountability, program accountability and individual accountability.

Fiscal accountability deals with complying to applicable laws, rules and regulations guiding a particular job/ work to be done. It is also being consistent with appropriate principles, concepts and conventions of such work. Managerial accountability is about getting essential information for effective and efficient decision making. Program accountability is majorly concerned with the overall evaluation of program impact and the extent to which the goals and the set objectives are attained. Individual accountability is related to personal qualities and conduct demonstrated by accountable officials. It involves such characters like honesty, trust, probity and integrity of which are essential in the financial sector.

According to Adejuwon et al (2014), accountability and performance have been central in resource management. Accountability is important for effective performance because officials need to show the public that they are performing their responsibilities in the best way and judiciously utilizing the resources provided them effectively and efficiently.

Concept of Financial Sector

Financial sector is a section of the economy consisting of firms and institutions that makes financial services available to commercial and retail customers. This sector includes banks and non-banks financial institutions. According to Godly et al 2012, there are four vital components of a financial system; financial institution, financial market, regulatory authorities and financial instruments. The Nigeria financial sector/system includes bank, investment companies, insurance companies, real estate firms, primary mortgage institutions, community banks, discount houses, insurance companies, forex bureau and de change. The financial sector performs duties such as financial planner, financial analyst, actuary, securities trader, portfolio manager and quantitative analyst.

Theoretical Framework

The study seeks to understand the relationship between resources management and accountability in the financial sector in Nigeria. Based on this the new modern resources management theory will be employed. The new resources management theory places emphasis on good managerial efficiency, organizational health, unique situation and circumstances (Hood, 1991).

Jones & Thompson (1999) interpreted, new resources management as the five R(s). They are; restructuring to focus on core competences, re-engineering of work process, radical organization reinvention, realignment by introducing activity based costing and responsibility budgeting rethinking by re conceptualizing financial sector bureaucracies. The new modern resource management theory comprises of quantitative theory, system theory and contingency theory. The main current of the new resources management literature is conceived not with what to do, but how to do it better. It argues for an incentives environment in which leaders are given flexibility in the uses of resources but held accountable on result.

As a deviation from the principles of new resources management, inefficient and ineffective management of resources as well as absence of financial and individual accountability in Nigeria can be viewed and understand as a carryover effect of this deviation.

Methodology

This paper used the descriptive statistics method. Questionnaire was used to collect data from selected commercial banks such as First banks, united bank for Africa (UBA) and sterling banks, through systematic random sampling technique. We generated 15 questionnaires through face to face interview with commercial banks executives in South East region, Awka in particular. A total of 250 questionnaires were given out, and 220 questionnaires were received, which represented 88 percent response rate. A 5 point-scale is used:

1. Very weak
2. Weak
3. Moderate
4. Strong
5. Very Strong

Variable Measurement

The measurement of the variables is carried out using dependent and independent variable, here, accountability in the financial sector is dependent variable, while resources management becomes our independent variable.

Research Results

Correlations[a]

	Information Tech	Human skills	Inventory	Financial resources	Economic resources	Natural resources
Information Tech	1	.602**	.685**	.710**	.628**	.750**
Person correlation	.	.000	.000	.000	.000	.000
Sig (2-tailed)[b]	525	525	.525	525	525	525
N[c]						
Hunan		1	617	570	-053	256
skills	.602**		000	000	.455	000
Pearson	.000	525	525	525	525	525
correlation	.525					
Sig (2-tailed)b						
N[c]						
Inventory	.685**	.617**	1	631**	256**	.128**
Pearson	.000	.000		000	000	.071
correlation	525	525	525	525	525	525
Sign (2-tailed)[b]						
N[c]						
Financial	.710**	.570	.63	1		631
resources	.000	.000	000		.071	000
Person	.525	. 525	525	525	525	525
correlation						
Sig (2-tailed)[b]						
N[c]						
Economic	.628**	.256**	470**	628**	1	470**
resources	000	.000	000	000		000
Pearson	. 525	. 525	525	525	525	525
correlation						
Sig (2-tailed)[b]						
N[c]						
Natural	.750**	.256**	470**	628**	470**	1
resources	.000	.000	000	000	000	
Pearson	. 525	. 525	525	525	525	525
correlation						
Sig (2-tailed)[b]						
N[c]						

***: Correlation is significant at the 0.01 level (2.tailed).*

Variables Entered Removed[b]

Model	Variable Entered	Variables Removed	Method
1	Information Tech		
	Human skills		
	Inventory		Entered
	Financial resources		
	Economic resources		

a. All requested variables entered
b. Dependent variable: Accountability in financial sector

Model Summary[a]

	R	R-Square	Adjusted R-Square	Std. Error of the Estimate	S.D Dependent variable
1	.851	.0724	.666	7.77048	59.5 to 49

a. Predictions: (constant),

ANOVA[b]

Model	Sum of Squares	Df	Mean Square	F	Sn
1	Regression	3576.02	5	78 15	9.10
	Residual	68761.10	520	16.32	
	Total	72337.12	524		

Predictors (constant), Information Tech, Human skills, Inventory, Financial resources,

a. Economic resources
b. Dependent variable: Accountability in the financial sectors

Coefficient[b]

Model	Unstandardize Coefficient		Standardize Coefficient		
1	A	Std. err	Betta	T	Sig
(Constant)	1.147	3.93			0.001
Information Tech	.221	.115	.192	1.917	0.003
Human skills	.269	.135	.387	1.991	.003
Inventory	.384	.106	.377	3.608	.001
Financial recourses	.219	.104	.226	2.11	0.13
Economic resources	.488	.221	.668	1.908	.001

α Dependent Variable: Accountability in the financial sector

Result Interpretation

From the above model summary, the value of R at 0.85, simply imply that, there is strong positive correlation between resources management and accountability in the financial sector in Nigeria. The R^2 value at 0.724 indicated that if the resources management is increase by 1%, the accountability in the financial sector on the average will increase by 7.2%. However, the F-statistic value at 78.15 with significant probability value of 9.10, show that, there is no significant effect of resources management on the accountability in the financial sector in Nigeria, which may be attributed to the inefficiency in utilization of financial sector resources.

Furthermore, the betta coefficient of information technology, human skills, inventory, financial resources, economic resources 0.192, 0.387, 0.377, 0.226 and 0.668 with the sign value at 0.0003, 0.001, 0.13 and 0.001 respectively, show that all the explanatory variables are significantly affected accountability in the financial sector in Nigeria. However, the financial resource has no significant effect on accountability in the financial sector which may be attributed to unethical behaviors of personnel in the sectors.

Although, increase in information technology, human skills inventory, financial resources and economic resources by 1%, will lend to increases in accountability in the financial sector on the average by 19.2%, 38.7%, 22.6% and 66.8% respectively.

Conclusion and Recommendation

Essentially, resources management remains a pivotal stand for effective and efficient utilization of resources and pillar of accountability in the financial sector in Nigeria. This is because, prudent resources management promotes efficiency, effectiveness, openness, integrity, discipline, transparency and better management in financial sectors. The main thrust of this research paper is to examine the resources management and its relationship with accountability in the financial sector, with a view to understandings its implications for efficiency operation of financial sectors in Nigeria. The modern resource management theories were reviewed and the correlation as well as ordinary least square were employed to analyzed the data. From the result obtained, we conclude the following:

1. Information technological is principal factors in accountability in the financial sectors
2. Human skills, inventory and economic resources are engine of accountabilities in the financial sectors.
3. Financial resources have no significant effect on accountability in the financial sectors, this could be attributed to corruption and sharp practices among the banks official.

Recommendations

To successfully implement accountability reforms in the financial sectors in Nigeria, CBN and commercial banks executives must satisfy the following conditions

The first and foremost, prudent resources management must be encouraged and implements in financial sectors that will in turn promotes general accountability.

We also recommend that prudent financials resource should be encourage to strengthen accountability in the financial sectors, which will go a long way to prevent corruption and sharp practices among the banks officials at all levels.

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INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) ADOPTION AND EARNINGS MANAGEMENT IN MANUFACTURING COMPANIES IN NIGERIA

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Abstract
This paper examines the impact of IFRS adoption on earnings management of manufacturing firms in Nigeria. In this study IFRS does not have any proxies because the study is a comparative analysis that assesses earnings management pre- and post-IFRS adoption in the manufacturing sector of Nigeria, however, a dummy variable was developed to distinguish pre and post IFRS periods in the data analysis as shown below: Post-adoption = 1,Pre-adoption = 0. The study covers four years (2008-2011) Pre and four years (2016-2020) post-IFRS. This study modified the Jones (1991) model to measure earnings management in the manufacturing sector. The Logistic Regression was used in the analysis with aid of Statistical Package for Social Sciences (SPSS) version 20. Our findings revealed that earnings management measured by Discretionary Accrual was reduced after the adoption of IFRS and was statistically significant at 5% level. Based on the findings, the paper recommended that the mandatory adoption of IFRS should be embraced by all sectors of the Nigerian economy, all relevant factors such as CBN, accounting professional bodies, accounting academia, not only IFRS, should be considered in monitoring and creating an international competitive environment to ensure improvement in transparency and comparability of financial statements.
Keywords: *earnings management, discretionary accrual, IFRS, manufacturing*

Introduction

One issue that has come to the vanguard of recent debate regarding unethical behavior in corporate accounting is that of earnings management or more expressively “opportunistic” earnings management. There is substantial evidence that executives engage in earnings management (Baber, Fairfield & Haggard, 1991). Aside the popular cases of Enron and WorldCom in the United States, in Nigeria the collapse of Intercontinental Bank, Oceanic Bank, Fin Bank, Equatorial Trust Bank, Afribank and Cadbury have been attributed to earning management. However, earnings management is not always alleged as wrong. Proponents of this believe that there is a good side of earnings management and that it “can be a device to convey insider information to the market, enabling share price to better reflect the firm’s future prospects” (Scott, 2003). The accounting profession has also accepted that not all earnings management techniques are deceptive.

However, the recent established idea among accountants, regulators and standard setters is that, more often than not, earnings management is detrimental. It deceives investors and reduces the dependability of financial reporting (Titas & Dipanjan2012). Thus this present study defined earnings management according to Healy & Wahlen (1999),as *'Earnings management occurs when managers use judgment in financial reporting and in structuring transactions to alter financial reports to either mislead some stakeholders about the underlying economic performance of the company or to influence contractual outcomes that depend on reported accounting practices.* 'According to Roman (2019), "Earnings management occurs when firm management has the opportunity to make accounting decisions that change reported income and exploit those opportunities"

A number of studies found different managerial incentives for earnings management. DeFond & Jiambalvo (1994) find that sample firms accelerate earnings prior to lending covenants, Holthausen, Larcker & Sloan (1995) observed that managers manipulate earnings downwards when their bonus are at their maximum. Watts &Zimmerman (1986) suggests that certain factors such as debt covenant constraints, compensation plan provisions, and political costs, the need to issue equity capital, insider trading, etc. provide managers with incentives to manage earnings. Some of them blame GAAP (i.e., Generally Accepted Accounting Principles), citing that they are inherently faulty and enable earnings to be managed dishonorably. Firms generally use allowances, accounting choices, opportunities and flexibilities provided in accounting standards to manipulate and manage financial reports. Kai (2011) posits that managers may use the flexibility in the GAAP to misstate the accounting numbers. He described "within-GAAP earnings management" as a situation where managers exploit the flexibility allowed by the accounting principles in the GAAP to smooth earnings. Thus standard setters and the accounting profession are critically concerned about the practice of earnings management and the unfavorable consequence it has on financial reporting (Titas & Dipanjan 2012; Amrik (2004)

Changes in accounting standards are expected to influence the reporting habits and outcomes. Hence, the global adoption to or convergence with IFRSs is considered likely important determinant of the quality of accounting information (Houqe, Zijl, Dunstan & Karim, 2012).

Limited studies on impact of IFRS on earnings management in Nigeria centred in the banking sectors (Matthias & Obiamaka 2016); Ugbede, Mohd & Ahmad 2014). However, to the best of my knowledge no study has examined the impact of IFRS adoption on earnings management in the manufacturing sector of Nigeria by comparing NG-GAAP (2008-2011) and IFRS (2012-2015). To address these, the researchers hypothesized thus:

Ho: Post-IFRS adoption does not reduce earning management using discretionary accrual than pre-IFRS adoption

The paper is organised as follows' the next section reviews relevant literature with regards to context justification and provide a theoretical background for the study, respectively. Next describes the sample data and empirical methodology. The last section summaries the main results, offers conclusion and recommendations.

Review of related literature

Efficient contracting theory

Efficient contracting theory underpinned this study. Efficient contracting theory takes the view that firms organize themselves in the most efficient manner, so as to maximize their prospects for survival. Some firms are more decentralized than others, some firms conduct activities inside while other firms contract out the same activities, some firms finance more with debt than others, etc. The theory assumes that managers, like investors, are rational. Consequently, given that important contracts depend on accounting variables, managers may be tempted to be bias or otherwise manage reported earnings and working capital valuations if they perceive this to be for their own benefit. This creates a demand for accounting policies to control such tendencies. Controlling these tendencies is the efficient contracting and stewardship role of financial reporting. Efficient contracting theory helps accountants to understand why reporting on stewardship is important, and to appreciate the boundaries of legitimate management concern about accounting policy choice. The efficient contracting theory suggests a positive association between accounting discretion and long term firm performance and quality of financial information (Hassan, 2015). Therefore, in this study the efficiency contracting theory is selected to link manufacturing firms attribute with earnings management before and after the adoption of International Financial Reporting Standards in Nigeria.

Empirical Reviews

Several studies related to the adoption of IFRS have been conducted and published in recent times. Hassan, (2015) examined Adoption of International Financial Reporting Standards and Earnings Quality in Listed Deposit Money Banks in Nigeria. The paper investigated firm attributes from the perspective of structure, monitoring, performance elements and the quality of earnings of listed deposit money banks in Nigeria. The study adopted correlational research design with balanced panel data of 14 banks as sample of the study using multiple regression as a tool of analysis. The result reveals that firms attributes (leverage, profitability, liquidity, bank size and bank growth) has as significant influence on earnings quality of listed deposit money banks in Nigeria after the adoption of IFRS, while the pre period shows that the selected firm attributes has no significant impact on earnings quality. It is therefore concluded that the adoption of IFRS is right and timely.

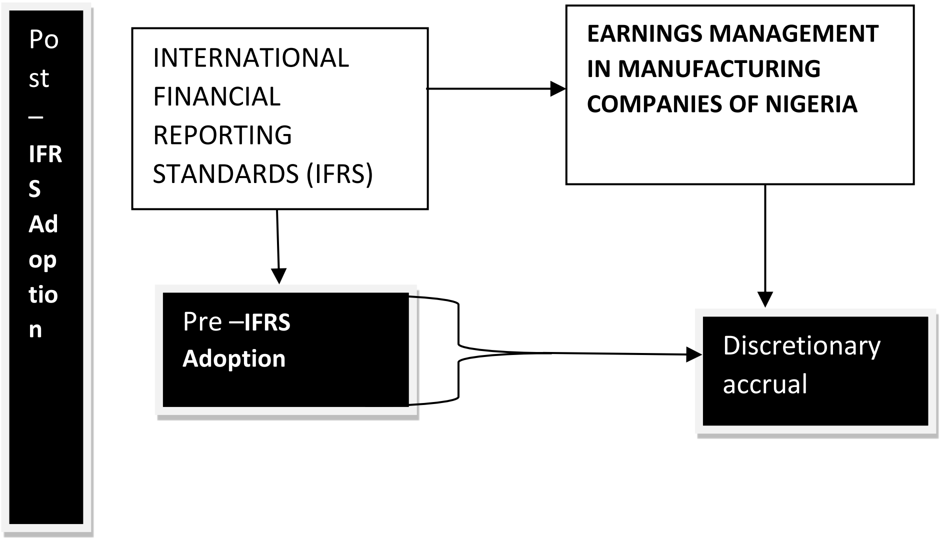
In a related development, Matthias & Obiamaka (2016) investigated The Impact of International Financial Reporting Standards Adoption and Banking Reforms on Earnings Management: Evidence from Nigerian Banks. The study examines stock market reaction and the impact of IFRS adoption on the Nigerian stock market. The paper also evaluates the effect of the Central Bank of Nigeria (CBN) reforms on earnings management of Nigerian banks. The result indicates no evidence of any significant effect on the market but a negative stock reaction in the medium term. the finding highlights mixed impact of IFRS adoption on earnings management; but a significant decrease in earnings management in the post CBN reforms. The study shows that adoption of IFRS was wrongly timed in Nigeria as the fragile investors' sentiment which was just recovering from the shock of the global financial crisis could have been weakened by the negative market returns. These results have signal effect on investors.

Ugbede, Mohd & Ahmad (2014) the Effects of Changes In Accounting Standards On Earnings Management Of Malaysia And Nigeria Banks. The objective of this study is to investigate the effects of changes from Malaysia and Nigeria previous accounting standards to IFRSs-based standards on earnings management of Malaysia and Nigeria banks. Limited studies on the association between IFRS and earnings management in emerging economies and the continuous exclusion of financial institutions from samples of prior studies motivated this study to acquire the banking sector of two emerging countries – Malaysia and Nigeria in order to investigate whether changes in Malaysia and Nigeria accounting standards affects earnings management activities. Hence, this study used a sample of 23 banks representing 8 Malaysian banks and 15 Nigerian banks for a study period of 4 years (2009-2012). This study modified the Jones (1991) model to investigate earnings management in the banking sector. The modified Jones model is able to investigate earnings management in the banking sector. MFRSs and IFRSs impact more significantly and positively on the quality of accounting information of banks than the previous FRSs and SASs respectively for Malaysia and Nigeria. Specifically, the accrual and earnings quality of Nigerian banks has improved by approximately 41% and Malaysia banks 12.6% during the IFRSs/MFRSs adoption era. This study therefore recommends that globally, IFRSs should be adopted as the standard for the preparation and reporting of financial statements.

On the international setting, Lei, Asheq & Stephen (2008) investigated on the Effect of IFRS and its Enforcement on Earnings Management: An International Comparison. They examined the effect of IFRS and its enforcement on earnings management in financial reporting using over 100,000 firm-year observations from 2000 to 2006 across 32 countries. They conducted this examination by using a modified measure of enforcement developed by Hope (2003). They found that earnings management in IFRS adoption countries has been decreasing in recent years. The results also show that countries with stronger enforcement generally have less earnings management.

Kaaya (2015) the Impact of International Financial Reporting Standards (IFRS) on Earnings Management: A Review of Empirical Evidence. This study applies a desktop review to investigate the worldwide existing empirical research evidence on the impact of IFRS on earnings management post- IFRS adoption and in relation to other reporting standards and reports whether the results are indistinguishable between developed and developing economies. The findings reveal that the existing empirical crams and conclusions there on are mixed, inconsistent and difficult to generalize. This indicates the pressing need for country specific empirically tested studies of this nature. The study further, stumbles on the fact that IFRS can indistinctly benefit both developing and developed markets when coupled with appropriate effective enforcement machinery. Substantially, the results entail that IFRS is a critical determinant for quality reporting but not a 'prima facie' guarantor for quality reporting. From the above empirical review, it is clear that expectation following the adoption of IFRS both in Nigeria and globally is to improve quality of financial reporting better than local standards. Based on this expectation and on the Operational conceptual framework below, we hypothesize that;

Post-IFRS adoption reduce earning management using discretionary accrual than pre-IFRS adoption



Methodology

A time series design will be used for this study. It is a research design in which measurement of the same variables are taken at different points in time, often with a view to studying social trends (Pratt, 2014). A sample size of twenty-seven (27) manufacturing companies listed on the Nigerian Stock exchange. The study covers a period of eight (8) years divided into two periods- Pre and Post. 2008-2011 for pre-

IFRS adoption and 2012-2015 for post-IFRS adoption. The source of data for the study is secondary only extracted from the audited financial statements of the sampled firms.

The Logistic Regression is useful in analyzing categorical data, where the criterion variable is dichotomous and takes only two valves – 0 and 1. The Statistical Package for Social Sciences (SPSS) version 20 will be used in the analysis. A dummy variable has been developed to distinguish pre and post IFRS periods in the data analysis as shown below: Post-adoption = 1,Pre-adoption = 0

Measurement of earnings management:

Earning management = this study uses the discretionary accruals in measuring earning management. This study uses the cross-sectional modified Jones' model to obtain a proxy for discretionary accruals. Dechow *et al*. (1995) and Guay *et al*. (1996) argued that the modified Jones model is the most powerful model for estimating discretionary accruals among the existing models. Based on the above argument, discretionary accruals can be measured as follows:

TACCit = NIit - OCFit……………………………………………………...(1)

Where, total accrual is the difference between earnings and cash flows from operating activities as shown in equation 1 above.

TACCit/TAit-1 = β1 (1/TAit-1) +β2 [(DREVit)/TAit-1] + β3 (PPEit/TAit-1) + eit…..(2).

Where, equation 2 above is estimated for each firm and fiscal year combination; thus the industry specific parameters of the Jones model are estimated above.

NDACit =***â***1 (1/TAit-1) + ***â*** 2[(DREVit- DRECit)/TAit-1] +***â*** 3(PPEit/TAit-1). (3)

Where, Non-discretionary accruals are measured for each year and fiscal year combination using the equation3 above

DACCit= TACCit – NDACit ……………………………………………… (4)

Equation4 above presents the discretionary accruals (DACC) which is The Difference between total accruals and the non-discretionary components of accruals.

$$DACC_{it} = \frac{TA_{it}}{A_{it-i}} - \left(\beta 0 + \beta_{1t}\frac{1}{A_{it-1}} + \frac{\beta_{2t}\,\Delta GE_{it} - \Delta NL_{it}}{A_{it-1}} + \beta 3t\,\frac{PPE_{it}}{A_{it-1}}\right) + \varepsilon \quad .(5)$$

Equation 5 presents the mathematical formulae of discretionary accrual used in the computation of earnings management in this study.

Where;

$DACC_{it}$=Discretionary accrual of company i at time t

TA_{it}=Total accruals of company i determined by subtracting Profit/loss before taxation, exceptional and extraordinary items and cash flows from operation for year t.

A_{it} = Asset at the commencement of the year
ΔGE_{it} = Variation in Gross earnings as of time t –1 to t
ΔNL_{it} = Change in the analysis of total loans and Advances and non-performing loan as of time t–1 to t to reflect variation in Net Loans (ΔNL)
Σ = error term/random term
Gross Earnings (GE) = Interest Income (IINC) + Fee Commissions (FCOM) + Foreign Exchange Income (FOREXINC) + Trusteeship Income (TINC) + Investments Income (INVINC) + Share Income (SHINC) + Other Income (OINC) ………………..…. (ii)
Net Loan (NL) = Total Loans (TL) – Non-Performing Loans (NPL) …………………… (iii)

TACCit= total accruals for company i in year t
NIit = net income before extraordinary items for company i in year t
OCFit = operating cash flows for company i in year t.
TAit-1 = Previous year's total assets
REVit = change in operating revenues for company i in year t
PPEit = gross property, plant and equipment for company i in year t.
NDACit= non-discretionary accruals for company i in year t
RECit = change in net receivables for company i in year t
We use the absolute value because either positive or negative discretionary accruals areconsidered as earnings management behavior (Wartfield et al., 1995; Gabrielsen et al., 2002;Wang, 2006; Chen et al., 2007; Barth et al. 2008).

Model specification
The econometric model that will be tested to determined effect of IFRS adoption in the performance of corporate entities in Nigeria is given below;
$Y = F(X_1, X_2)$
Where, Y represents the dependent variables (earnings management) and X_1, X_2 represent the independent variables (Pre-IFRS and Post-IFRS)

$$RR = \alpha_0 + \alpha_1 DACC_{it} + \varepsilon_{it} \ldots\ldots 1$$
α_o = Constant or intercept
α_1 = Coefficient or slope
ε_{it} = error term.
RR = A dummy variable representing the regulatory regime.
$DACC_{it}$=Discretionary accrual of company i at time t

Result and discussion
Descriptive results
Table 1 presents the descriptive statistics for both Pre-IFRS Discretionary accrual and post-IFRS Discretionary accrual for the twenty-seven (27) manufacturing firms.
(Insert table 1 here)

Table 1
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Pre-IFRS DACC	108	-9.92	4.69	-2.8407	2.98192
Post-IFRS DACC	108	-9.73	-1.05	-3.7162	2.93760
Valid N (listwise)	108				

The criteria variable - the discretionary accruals (DACC) ranges from -9.92 to 4.69 for Pre-IFRS adoption with an average of -2.8407 while Post-IFRS DACC ranges from -9.73 to -1.05 with an average of -3.7162which provided evidence of earnings management in manufacturing companies in Nigeria

Model summary
The model summary is aim at determining if there is a statistical significant difference between pre- and post-IFRS adoption.
(Insert table 2 and 3 here)

Table 2
Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	294.725[a]	.022	.029

a. Estimation terminated at iteration number 3 because parameter estimates changed by less than .001.

Table 3
Hosmer and Lemeshow Test

Step	Chi-square	Df	Sig.
1	19.393	8	.013

Table 2 Contains the Cox & Snell R Square and Nagelkerke R Square values, which are both methods of calculating the explained variation. The table shows that the Cox & Snell R Square (R^2) = .022 while that of Nagelkerke R Square (R^2) .029.Similarly, the table 3 shows a chi^2 = 19.393 and sig value = .013. Since the sig value is less than 0.05, the study concludes that there is a statistical significant difference between pre- and post-IFRS adoption. In addition, Nagelkerke R Square (R^2) of.029indicates that the model is good but not great

Result Of Binary Regression For The Model Specified

$RR = \alpha_0 + \alpha_1 DACC_{it} + \varepsilon_{it}$………………………… *1* **(insert table 4 here)**

Table 4
Variables in the Equation

B	S.E.	Wald	Df
-.101	.047	4.568	1
-.329	.205	2.567	1

a. Variable(s) entered on step 1: DACC.

Table 4 provides the regression coefficient (B), the Wald statistics (to test the statistical significance) and the all important Odd ratio (Exp (B)) for each variable category. The explanatory variable was entered/removed from the binary logistic regression using a step-wise procedure with a p-value of 0.05 to enter and a p-value of 0.10 to remove. The Wald statistic was used to test the alternate hypothesis that each coefficient is zero. Table 4 compares the pre-IFRS based financial numbers reported during 2008-2011 and the post-IFRS financial numbers reported during 2012-2015. The result reveals that DACC (B = -.101, W = 4.568, Sig. = .033) was reduced after the adoption of IFRS and was statistically significance 5% level.

Conclusion and recommendations

The study examined the impact of IFRS adoption on earnings management in the manufacturing companies of Nigeria. The study provided both empirical as well as statistical evidence on the utility of twenty-seven (27) quoted firms in predicting earnings management of listed manufacturing companies in Nigeria after the adoption of IFRS better than before the adoption.

Our findings revealed that earnings management measured by Discretionary Accrual was reduced after the adoption of IFRS and was statistically significant 5% level. The findings of this study coincide with the findings of Hassan (2015) whose result reveals that firms attributes (leverage, profitability, liquidity, bank size and bank growth) has significant influence on earnings quality of listed deposit money banks in Nigeria after the adoption of IFRS, while the pre period shows that the selected firm attributes has no significant impact on earnings quality. It is therefore concluded that the adoption of IFRS is right and timely. Similarly, Matthias & Obiamaka (2016) discovered that earnings management decreased after IFRS adoption, implying that it is likely influenced by IFRS adoption in Nigerian banks.

In a comparative study between Nigeria and Malyasia, Ugbede, Mohd & Ahmad (2014) discovered that MFRSs and IFRSs impact more significantly and positively on the quality of accounting information of banks than the previous FRSs and SASs respectively for Malaysia and Nigeria. Specifically, the accrual and earnings quality of Nigerian banks has improved by approximately 41% and Malaysia banks

12.6%during the IFRSs/MFRSs adoption era. In the entire European Union, the earnings management decreased and accounting quality was enhanced in only 16.6% (100 companies) of the examined companies. Earnings management in IFRS adoption countries has been decreasing in recent years. The results also show that countries with stronger enforcement generally have less earnings management (Tereza**2014;** Lei, Asheq & Stephen 2008). The study concludes that the timely adoption of IFRS in Nigeria presents perhaps the most important accounting regulatory change in recent time.

On the whole, this paper contributes to the current accounting debate with more empirical evidence from the manufacturing sectors of Nigeria, in which no study has been carried out in this sector of Nigeria. Based on the findings, the paper recommended that the mandatory adoption of IFRS should be embrace by all sectors of the Nigerian economy. Secondly, all relevant factors such as CBN, accounting professional bodies, accounting academia, not only IFRS, should be considered in monitoring and creating an international competitive environment to ensure improvement in transparency and comparability of financial statements.

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Table 1

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Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
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a. Estimation terminated at iteration number 3 because parameter estimates changed by less than .001.

Table 3
Hosmer and Lemeshow Test

Step	Chi-square	Df	Sig.
1	19.393	8	.013

Table 4
Variables in the Equation

		B	S.E.	Wald	Df	Sig.	Exp(B)
Step 1[a]	DACC	-.101	.047	4.568	1	.033	.904
	Constant	-.329	.205	2.567	1	.109	.720

a. Variable(s) entered on step 1: DACC.

FRAUD DIAMOND MODEL AND FRAUDULENT FINANCIAL REPORTING: EVIDENCE FROM DEPOSIT MONEY BANKS IN NIGERIA

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Abstract
This study examines the effect of the fraud diamond model and fraudulent financial reporting of deposit money banks in Nigeria. The study specifically evaluates the effect of pressure, opportunity, rationalization, and capability on fraudulent financial reporting of DMBs. The study adopts the ex post facto research design. The population comprised all listed deposit money banks on the Nigerian Exchange Group (NGX) as of the end of 2022. The final sample was 13 DMBs based on data availability. The study utilises secondary data from the annual financial statements of the DMBs for the years 2012-2022. The data were analyzed using descriptive and inferential statistical analyses. The hypotheses were tested using the multiple linear regression technique. The results showed that CFT has a non-significant negative effect on the fraudulent financial reporting of listed Deposit Money Banks; RPT has a non-significant effect on the fraudulent financial reporting of listed Deposit Money Banks; ECD has a significant negative effect on the fraudulent financial reporting of listed Deposit Money Banks; and, PEF has a significant positive effect on the fraudulent financial reporting of listed Deposit Money Banks. Based on this, the study recommends that managers should carefully watch cashflow trend to avoid lowering the financial rating of DMBs as excessive operating cashflow indicates suboptimal managerial decisions; and, shareholders monitor firms for related party transactions which is suggestive of weak corporate governance which lowers the fraudulent financial reporting of Deposit Money Banks; among others.
Keywords: *Fraud diamond model; fraudulent financial reporting; cashflow; deposit money banks.*

Introduction

Fraud diamond argues that fraud would not have happened without the capability of the respective individual to perpetrate such. These falsified financial statements that alter numbers by overstating assets, inserting fictitious sales and profit entries, or understating liabilities, debts, expenses, and losses are considered fraudulent financial reporting. The widespread increase in financial statement fraud in the Nigerian setting was mostly caused by dishonest management actions and brazen cover-up by accounting companies. The managers [i.e., agents] who were entrusted by the shareholders [i.e., principals] to protect their investment committed several types of management fraud. According to the ACFE Report to the Nations (2018), the estimated total occupational fraud between January 2016 and October 2017 is

2,690. In the recent ACFE Report (2022), financial statement fraud schemes were the least common but most costly accounting for a $593,000 median loss; while asset misappropriation schemes are the most common but least costly accounting for a $100,000 median loss. The fraud triangle model presents three components which must be present for fraud occurrence: opportunity, pressure, and rationalization; while, in contrast, the fraud diamond model identifies four elements for fraud occurrence: opportunity, pressure, rationalization and capability.

Due to increased globalization and competitiveness, the fraud triangle's components are unable to account for the various incentives for fraud in contemporary organizations (ACFE, 2020; Devi, Widanaputra, Budiasih, & Rasmini, 2021). However, the fraud triangle approach to identifying financial statement fraud, has several flaws, according to studies by Sorunke (2016) and Tugas (2012). Firms that are publicly quoted seek to draw the interest of investors and potential investors by displaying financial statements that appear healthy and successful (Kristianti & Meiden, 2021). To achieve these goals managers may falsify their financial figures. Thus, researchers have suggested that auditors should evaluate and take into account the likelihood of fraud from several angles. Specifically, studies by Sorunke (2016) and Tugas (2012) observed some loopholes in the fraud triangle model to detect financial statement fraud. As a result, it is impossible to extend the findings of the prior investigation into each component of the fraud triangle and fraud diamond models to financial statement fraud. Predicated on these issues, the researchers formulated the following hypotheses to guide the study:

***Ho_1*:** The effect of cash flow trend on fraudulent financial reporting in deposit money banks

***Ho_2*:** The effect of related party transactions on fraudulent financial reporting in deposit money banks.

***Ho_3*:** The effect of economic downturn on fraudulent financial reporting in deposit money banks.

***Ho_4*:** The effect of pressure from earning forecast on fraudulent financial reporting in deposit money banks.

The paper is organised as follows’ the next section reviews relevant literature with regards to context justification and provide a theoretical background for the study, respectively. Next describes the sample data and empirical methodology. The last section summaries the main results, offers conclusion and recommendations.

Review of related Literature

Conceptual Reviews

Fraudulent Financial Reporting

Fraud is a false representation of a fact that deceives and is designed to deceive another person so that the person will act on it to their or their legal detriment, whether by words or conduct, false or misleading allegations, or concealment of what should have been disclosed. Fraud is defined as any act, expression, omission, or concealment calculated to deceive another to his or her detriment, specifically a misrepresentation or concealment with reference to some fact material to a transaction that is made with knowledge of its falsity and or reckless disregard of its truth or falsity and with the intent to deceive another and that is reasonably relied on by the other who is injured thereby (Abdullahi, Mansor, & Nuhu, 2015). In both the public and commercial sectors of the economy, as well as in both emerging and established countries, fraud has been referred to as a pandemic socioeconomic disease. Types of FFR include: 1) Manipulation, forgery, or changes to accounting records or supporting documents relating to the financial statements prepared; 2) Intentional misrepresentations or omissions concerning events, transactions, or other important information in financial statements; 3) Deliberately misusing accounting principles related to the amount, classification, method of presentation, or disclosure in financial statements. Fraud is widespread in Nigeria which is affecting all facets of society, particularly the public sector.

The Fraud Diamond Model

In addition to addressing incentive, opportunity, and rationalization deficiency, the four-sided fraud diamond model considers that an individual's capability, namely: personal traits and abilities, play a major role in whether fraud may occur even with the presence of the other three elements. Wolfe and Hermanson (2004) argued that although perceived pressure might coexist with an opportunity and a rationalization, it is unlikely for fraud to take place unless the fourth element (capability) is also present. In other words, the potential perpetrator must have the skills and ability to commit fraud. Many frauds, especially some of the multibillion-dollar ones, would not have occurred without the right person with the right capabilities in place. Wolfe and Hermanson (2004) maintained that opportunity opens the doorway to fraud, and incentive (i.e. pressure) and rationalization lead a person toward the door. However, capability enables the person to recognize the open doorway as an opportunity and to take advantage of it by walking through repeatedly. They also suggest four observable traits for committing fraud; (1) authoritative position (power) or function within the organisation; (2) capacity to understand and exploit accounting systems and internal control weaknesses; (3) confidence that he/she will not be detected or if caught he/she will get out of it easily; and (4) capability to deal with the stress created within an otherwise good person when he/she commits bad acts (Wolfe & Hermanson, 2004).

Pressure and Fraudulent Financial Reporting

According to Cressey (1953), financial statement fraud always involves pressure as a requirement. According to Skousen, Smith, and Wright (2009), there is a direct link between pressure and financial statement fraud. Managers frequently experience external pressure from third parties, such as the need to take on more debt or leverage to maintain their competitiveness. When management is under extreme pressure to fulfil the demands or expectations of outside parties, this is referred to as external pressure. Management may feel under pressure to commit fraud by falsifying financial statements to acquire the necessary debt funding when the firm is facing financial difficulties. Pressure arises if a company's performance falls below the industry average and management may manipulate the company's financial statements by providing the appearance of stable growth (Skousen, Smith, & Wright, 2009). Studies by Achmad and Pamungkas (2018) and Rahman and Nurbaiti (2019), find that external pressure has an impact on fraudulent financial reporting (2019). However, in contrast, Rizani and Respati (2018) and Utami and Pusparini (2019) found no connection between pressure and false financial statements.

Opportunity and Fraudulent Financial Reporting

The second factor that causes financial statement fraud is opportunity (Cressey, 1953). Opportunity in the fraud triangle has always been associated with internal control and is a mandatory element to perpetrate and conceal fraud. The ACFE Report (2022), defines occupational fraud as frauds that are committed by individuals against the organizations that employ them. The two key reasons why this type of crime is so prevalent are as follows, first is that any organization with employees must, to some extent, entrust those employees with access to or control over its assets, whether that means keeping its books, managing its bank accounts, safeguarding its inventory, etc. It is this very trust that can make organizations vulnerable to occupational fraud. Because all frauds, at their heart are based upon breaches of trust. The second reason occupational fraud is so costly and common is simply that there are so many people in a position to commit these crimes.

Rationalisation and Fraudulent Financial Reporting

Rationalization involves the perpetrators seeking to justify their actions in committing fraud. Studies have shown that rationalization can lead to financial statement fraud. Skousen, Smith, and Wright (2009) argue that rationalization can be measured by a change of auditors. Yet others have suggested that accruals are representative of management's decision-making and provide insight into their financial reporting rationalization.Rationalization is a factor often viewed as out of the control of management and internal auditors because an individual who commits fraud justifies their action as being consistent with their code of ethics. This is often a function of the fact that those who are trusted are placed in positions where fraud may be committed.

Capability and Fraudulent Financial Reporting

Capability can be viewed as a situation of having the necessary traits or skills and abilities for the person to commit fraud. It is where the fraudster recognized the particular fraud opportunity and the ability to turn it into reality. Position, intelligence, ego, coercion, deceit, and stress, are the supporting elements of capability (Wolfe & Hermanson 2004). According to Mackevicius and Giriunas (2013), not every person who possessed motivation, opportunities, and rationalization may commit fraud due to the lack of the capability to carry it out or to conceal it. Wolfe and Hermanson (2004) maintained that opportunity opens the doorway to fraud, and pressure and rationalization lead a person toward the door. However, capability enables the person to recognize the open doorway as an opportunity and to take advantage of it by walking through repeatedly. According to Wolfe and Hermanson (2004) - The theory of White Collar Criminals states that, as fraudsters found themselves successful at a crime, they began to gain some secondary delight in the knowledge that they are fooling the world; that they are showing their superiority to others. The individuals committing fraud must have a strong ego and great confidence that they will not be detected. The common personality types include someone who is driven to succeed at all costs, self-absorbed, self-confident, and often-narcissistic.

Theoretical Framework

Fraud Triangle Theory

The Fraud Triangle Model was created by Dr Donald R. Cressey (1953), an American sociologist and criminologist. He focused his research on the circumstances that lead individuals to engage in fraudulent and unethical activity. According to Cressey, fraud is the result of a set of circumstances which come together at a particular time and place causing someone to become a fraud perpetrator, particularly a trusted employee. The theory introduces three categories of factors that may be interrelated to represent these circumstances. These are pressure or incentives, opportunities, and rationalizations. Cressey (1953) described these three factors as the fraud triangle which involves:

1. **The motive or pressure to commit fraud**: This is perceived in the form of real or perceived financial needs or moral needs such as getting back at the employer. This individual feels that he wants to, or has a need to, commit fraud.
2. **The perceived opportunity to commit fraud and get away with it**: This arises as a result of these enabling factors: deficient internal controls and weak

corporate governance. When one or two of these factors weigh(s) heavily in the direction of fraud, the probability increases.

3. **The rationalization of the perpetrator**: This is achieved through finding a morally acceptable excuse that justifies why their action is not considered a crime.

Empirical Review

Putri and Fadilah (2023) conducted a study titled 'Analisis Faktor–Faktor Fraud Diamond danUkuran Perusahaan terhadap Kecurangan Laporan Keuanganpada Perusahaan Sub Sektor Transportasi yang Terdaftar di Bursa Efek Indonesia Periode 2019-2021'. The factors tested in the study were pressure, opportunity, rationalization, capability and company size as the independent variables; while financial statement fraud was the dependent variable. The study used the correlational research method. The sample comprised 20 companies in the transportation sub-sector. The study utilized secondary data from the financial reports of the sample companies. The analytical method used was multiple linear regression analysis. The results showed that pressure, opportunity, rationalization, capability and company size have a significant effect on fraudulent financial reporting.

Nadia, Nugraha, and Sartono (2023) conducted a study titled 'Analisis Pengaruh Fraud Diamond Terhadap Kecurangan Laporan KeuanganPada Bank Umum Syariah'. The study analysed the effect of fraud diamond variables, i.e., pressure, opportunity, rationalization, and capability on fraudulent financial statements. The data were collected from the financial reports of Islamic Commercial Banks in Indonesia for 2016-2021. The study employed purposive sampling of 48 firms analysed using multiple linear regression. The results showed that pressure and rationalization have a positive and significant effect on fraudulent financial statements; while opportunity and capability have a positive insignificant effect on fraudulent financial statements.

Agustina and Mariana (2023) undertook a study titled 'Analisis Fraud Diamond Dalam Mendeteksi Financial Statement Fraud'. The opportunity factor is proxied by using financial stability and external pressure. The pressure factor is proxied by using industrial properties and control effectiveness. The rationalization factor is proxied by rationality and auditor turnover. Finally, the ability factor is proxied by ability. The study employed the F-Score indicator to analyse fraudulent financial statements. The study employed a purposive sampling technique and 15 samples of companies. The study used secondary data and multiple linear regression technique employed to analyse the data. The results of financial stability and external pressure had a positive effect on fraudulent financial statements. Meanwhile, the nature of the industry, change in auditor, and capability do not affect the potential for fraudulent financial statements.

Nikmah and Arjoen (2023) conducted a study titled ‘Financial statement fraud, audit committee and audit quality: Insight into fraud diamond theory’. The sample was selected using purposive sampling from 214 non-financial companies’ listed on Indonesia Stock Exchange from 2016-2019. The study utilized secondary data obtained from www.idx.co.id and each company's website. The data were analysed using logistic regression. The result of this study showed that financial stability, board change, and financial target positively affect the detection of fraudulent financial statements. In contrast, external pressure, ineffective monitoring, and auditor change do not affect the detection of fraudulent financial statements.

Deliana and Oktalia (2022) conducted a study titled ‘Fraud detection of financial statements with diamond fraud analysis’. The sample comprised 12 companies which were purposively selected. The study relied on secondary data from 2016 to 2019. The study employed multiple linear regression analysis. The results of this study indicate that the level of leverage affects financial statement fraud. However, changes in total assets, ROA, insider share ownership, special party transactions, independent audit members, change in the public accounting firm, and changes in the board of directors does not affect financial statement fraud.

Setiawan and Trisnawati (2022) conducted a study titled ‘Factors that affect fraudulent financial reporting’. The factors in this study are financial targets, financial stability, external pressure, institutional ownership, number of audit committee members, ineffective monitoring, nature of the industry, external auditor quality, the change of auditor, auditor’s opinion, change of directors, the proportion of independent commissioner, and numbers of CEO’s picture, i.e., variables from the fraud pentagon. The sample comprised 101 firms listed on Indonesia Stock Exchange (IDX). The study relied on secondary data from 2017 to 2020. The data were analysed using the multiple regression technique. The result showed that financial targets, the nature of the industry, and the auditor’s opinion have a significant influence on fraudulent financial reporting. In contrast, financial stability, external pressure, institutional ownership, number of audit committee members, ineffective monitoring, external auditor quality, the change of auditor, change of directors, proportion of independent commissioners, and number of CEO’s picture have no significant influence on fraudulent financial reporting.

Kristianti and Meiden (2021) conducted a study titled ‘Fraud diamond analysis in fraudulent financial statement detection using Beneish M-Score’. The sample size comprised 120 firms usingthe purposive sampling method. The study relied on secondary data which were analysed using descriptive and logistic regression. The results showed that the nature of industry and rationalization variables have a positive and significant effect on the possibility of fraudulent financial statements, but for the variables of financial stability, external pressure, personal financial need, financial target, ineffective monitoring and capability, it is not proven to have a significant effect on the possibility of fraudulent financial statements.

Methodology

The study adopted the ex post facto research design. The design is appropriate since the key independent variables are neither controlled nor altered and because their effects have previously been seen. In hindsight, independent variables are investigated to look for potential relationships and the likely consequences that changes in independent variables have on one or more dependent variables. The population comprised of fourteen (14) Deposit Money Banks listed on the Nigerian Exchange Group (NGX) as of the end of 2022. However, the sample was restricted to thirteen (13) Deposit Money Banks (DMBs). The name of banks included in the study is shown in the table below:

Table 1: List of sample Deposit Money Banks (DMBs)

S/N	Names
1	Access Bank PLC
2	Eco Bank Transnational incorporation
3	Fidelity Bank PLC
4	First Bank Nig. PLC
5	First City Monument Bank (FCMB) PLC
6	Guarantee Trust Bank (GTB) PLC
8	Stanbic IBTC Holding PLC
9	Sterling Bank Nig. PLC
10	United Bank for Africa (UBA) PLC
11	Union Bank of Nigeria PLC
12	Unity Bank PLC
13	Wema Bank PLC
14	Zenith Bank PLC

Source: The Nigerian Exchange Group [NGX] (2022)

The study utilizes data drawn from secondary sources. The data were analyzed using descriptive and inferential statistical analyses. The hypotheses were analysed using multiple regression technique.

Model Specification

A model was formulated for this study based on the objectives of the study to test each of the null hypotheses.

$$FFR = \beta_0 + \beta_1 CFT_{it} + \beta_2 RPT_{it} + \beta_3 ECD_{it} + \beta_4 PEF_{it} + \mu \quad \ldots\ldots\ldots\ldots\ldots\ldots (1)$$

Where:

FFR = Fraudulent Financial Reporting
CFT = Cashflow Trend
RPT = Related Party Transactions

ECD = Economic Downturn
PEF = Pressure from Earning Forecast
μ = Error term.
β_0 = is the constant
β_1,β_2,β_3,and $\beta_4$represent the estimated coefficient for specific bank *i* at time *t*

Table 2: Description of input variables

Fraud diamond	**Indicator**	**Measurement**	**Source**
Pressure	Cash flow trend	Change in cash flow = average $CF_t - CF_{t-1}$	Lokanan& Sharma (2018); Skousen et al. (2009)
Opportunity	Related party transactions	Non-performing loan / Shareholders' fund	Egolum, Okoye, and Eze, (2019); Chen and Elder (2007)
Rationalization	Economic downturn	Dividend coverage ratio = PAT/Dividend paid	Egolum, Okoye, and Eze, (2019); Chen and Elder (2007)
Capability	Pressure from earning forecast	ROE = PAT/Shareholders funds	Egolum, Okoye, and Eze, (2019)

Source: Author's compilation (2023)

Data Analysis

Table 3: Descriptive statistics of input variables

	FFR	**CFT**	**RPT**	**ECD**	**PEF**
Mean	2.446154	1.808639	0.091900	9.955729	0.086551
Median	2.000000	-0.793042	0.037377	2.700166	0.116475
Maximum	5.000000	276.0980	1.069484	420.1395	0.320797
Minimum	1.000000	-36.37410	0.000000	0.000000	-3.943179
Std. Dev.	1.618984	25.26842	0.177664	42.77209	0.373565
Skewness	0.542613	9.941561	3.772201	8.049207	-9.853912
Kurtosis	1.627140	108.5522	18.02911	71.95192	106.0377
Jarque-Bera	16.58832	62489.97	1531.791	27156.60	59611.30
Probability	0.000250	0.000000	0.000000	0.000000	0.000000
Sum	318.0000	235.1230	11.94695	1294.245	11.25160
Sum Sq. Dev.	338.1231	82365.63	4.071842	235999.3	18.00204
Observations	130	130	130	130	130

Source: E-Views 10

Table 4: Pearson correlation matrix of input variables

	FFR	CFT	RPT	ECD	PEF
FFR	1	-0.19031	-0.004	-0.17501	0.031956
CFT	-0.19031	1	-0.03423	-0.00521	0.038496
RPT	-0.004	-0.03423	1	-0.00341	-0.05001
ECD	-0.17501	-0.00521	-0.00341	1	0.044206
PEF	0.031956	0.038496	-0.05001	0.044206	1

Source: E-Views 10

Hausman Test

The fixed-effects model assumes that the individual-specific effect is correlated to the independent variable. The REM allows making inferences on the population data based on the assumption of normal distribution.

H_0: The null hypothesis is that the preferred model is REM;
H_1: The alternate hypothesis is that the model is FEM.

Table 5: Correlated Random Effects - Hausman Test

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	4.413045	4	0.3530

Source: E-Views 10

The results support the use of REM in the case of the study sample, since, the p-value is greater than 0.05, the null hypothesis is accepted and the alternate rejected. The REM was employed in the study.

Test of Hypotheses

Table 6: Random Effects Model for test of Hypotheses

Variable	*Coefficient*	*Std. Error*	*t-Statistic*	*Prob.*
CFT	-0.011792	0.006364	-1.852996	0.0662
RPT	-0.307808	0.444115	-0.693081	0.4895
ECD	-0.006770	0.002255	-3.002638	0.0032
PEF	0.409380	0.162774	2.515017	0.0132
C	2.527738	0.235087	10.75237	0.0000

Effects Specification		S.D.	Rho
Cross-section random		0.527667	0.1101
Idiosyncratic random		1.499990	0.8899
Weighted Statistics			
R-squared	0.075783	Mean dependent var	1.635320
Adjusted R-squared	0.046208	S.D. dependent var	1.538431
S.E. of regression	1.502466	Sum squared resid	282.1756
F-statistic	2.562406	Durbin-Watson stat	1.806827
Prob(F-statistic)	0.041640		
Unweighted Statistics			
R-squared	0.066359	Mean dependent var	2.446154
Sum squared resid	315.6855	Durbin-Watson stat	1.615033

Source: E-Views 10

Hypothesis One

Ho₁: The effect of cash flow trend on fraudulent financial reporting in deposit money banks.

CFT as an independent variable to FFR appears to have a negative coefficient (i.e., -0.011792) and is not significant at a 5% level (p=0.0662). This evidence, therefore, leads to a rejection of the alternate hypothesis and acceptance of the null; thus, “CFT has a non-significant effect on the fraudulent financial reporting of listed Deposit Money Banks”.

Hypothesis Two

Ho₂: The effect of related party transactions on fraudulent financial reporting in deposit money banks.

RPT as an independent variable to FFR appears to have a negative coefficient (i.e., -0.307808) and is not significant at a 5% level (p=0.4895). This evidence, therefore, leads to a rejection of the alternate hypothesis and acceptance of the null; thus, “RPT has a non-significant effect on the fraudulent financial reporting of listed Deposit Money Banks”.

Hypothesis Three

Ho_3: The effect of economic downturn on fraudulent financial reporting in deposit money banks.

ECD as an independent variable to FFR appears to have a negative coefficient (i.e., -0.006770) and is significant at a 5% level (p=0.0032). This evidence, therefore, leads to a rejection of the null hypothesis and acceptance of the alternate; thus, "ECD has a significant effect on the fraudulent financial reporting of listed Deposit Money Banks".

Hypothesis Four

Ho_4: The effect of pressure from earning forecast on fraudulent financial reporting in deposit money banks.

PEF as an independent variable to FFR appears to have a positive coefficient (i.e., 0.409380) and is significant at a 5% level (p=0.0132). This evidence, therefore, leads to a rejection of the null hypothesis and acceptance of the alternate; thus, "PEF has a significant effect on the fraudulent financial reporting of listed Deposit Money Banks".

Conclusion and Recommendation

This study concludes that fraud diamond model has an effect on the fraudulent financial reporting of deposit money banks in Nigeria. This study employed a panel data of DMBs from 2012 to 2021. The empirical data analysis revealed that CFT has a non-significant negative effect on the fraudulent financial reporting of listed Deposit Money Banks; RPT has a non-significant effect on the fraudulent financial reporting of listed Deposit Money Banks; ECD has a significant negative effect on the fraudulent financial reporting of listed Deposit Money Banks; and, PEF has a significant positive effect on the fraudulent financial reporting of listed Deposit Money Banks. Based on this, the study recommends that:

1. Managers should carefully watch cashflow trend to avoid lowering the financial rating of DMBs as excessive operating cashflow indicates suboptimal managerial decisions;
2. Shareholders should monitor firms for related party transactions which is suggestive of weak corporate governance which lowers the fraudulent financial reporting of Deposit Money Banks;
3. Managers should constantly evaluate the dividend coverage ratio as inadequate dividend coverage is suggestive of an economic downturn which negatively affects the fraudulent financial reporting of Deposit Money Banks; and,
4. Maintain and sustain the ROE proxy for financial pressure can increase the fraudulent financial reporting of DMBs.

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ASSESSING NEWLY GRADUATED ACCOUNTING STUDENTS' PROFICIENCY ON THE USE OF ACCOUNTING SOFTWARE IN SELECTED UNIVERSITIES IN NIGERIA: A FOCUS ON 2019/2020 GRADUATES

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Abstract
This study assessed the level of understanding of Accounting Graduates on the use of accounting software in selected Universities in Nigeria. The specific objectives include to: examine the degree of incorporation of accounting software in Education curriculum of selected Universities in Nigeria, ascertain the extent of proficiency in the use of accounting software by graduating students in accounting of selected Universities in Nigeria and to determine the extent to which graduating students in accounting of selected universities in Nigeria, understand the relevance of accounting software in today's organizational management. The population of the study covered graduating students in accounting department of six federal Universities in Nigeria. Descriptive research design was used and simple random sampling technique was adopted in this study for selection of the sample size. Data was collected using structured questionnaire administered to a sample of 290 respondents. The study concludes that there is a low degree of incorporation of accounting software into Accounting Education Curriculum of selected Universities in Nigeria. Furthermore, the study concludes that graduating students of accounting of selected Universities in Nigeria do not have proficiency in the use of accounting software. Also that graduating students of accounting have a very strong understanding of the relevance of accounting software in today's organizational management. Based on the findings from this research study, the under listed were recommended: The National Universities Commission (NUC) and relevant educational bodies should integrate (in all higher institution) in accounting curriculum at all level, a practical course on accounting packages and IT knowledge and skills. Furthermore, they should put in place a practical examination on the use of accounting software for accounting degree exams. This would improve the practical experience of young graduates and make them more employable in the 21st century business environment. NUC should ensure strict adherence to the ICT integrated accounting curriculum by the higher institutions both public and private. This can be enforced by denying accreditation to non-compliant institutions.
***Key words**: Accounting education, Curriculum, Accounting software, Graduates,*

Introduction
Rapid development in Information Technology (IT) has posed many challenges and opportunities to accounting profession. Indeed, it expands the role of accountants and the way they deliver services is now more than their conventional boundary that was limited to updating records and files through computer programs. IT enables them to enhance their services to perform value added activities such as analysis and

design, evaluation and use of information systems (IS). More importantly IT enhances more quality and timely report that enable better decision making process.

In a more specific tone Cory and Peruske (2012) emphasized that, for Accounting Graduates to be able to perform productively as early in their first day of employment, it is essential for them to have a solid foundation in understanding and mastering the accounting-related skills and topics associated with technological innovations, including but not limited to hardware and software.

Most higher institutions in Nigeria are yet to incorporate software skills in their curriculum hence most graduates of accounting are ignorant of the importance and the use of software, thereby making them less efficient in the labor market. Accounting as one of the subjects in business education is equipped with the function of developing in students certain skills, knowledge, attitudes and values towards efficiency in solving problems and towards satisfying accounting requirements of organizations. Unfortunately, accounting education seems to be lacking in the inculcation of this ICT knowledge and skills in accounting students (Rhodes, 2013). This is evidenced in a research study carried out by Wessels (2007) where he found out that students has limited exposure to the use of ICT with particular emphasis on the use of accounting packages and that is why according to Rhodes (2013), accounting education has not gotten to the level expected of it by the industry itself.

Previous years before the emergence of information and communication technology (ICT), accountants in organizations employed socially acceptable behavioral methods of reporting accounting transactions and events in order to generate books of account such as income statement, statement of financial position, income and expenditure account amongst others.

Technological advancement and globalization is said to have created a new global economy having ICT occupying a complex position in relation to globalization (Agbo, 2012). Today, as a result of this said globalization there has been an introduction of accounting software, and the application of this software in accounting practice on most organizations in Nigeria. This has become of utmost importance to business entities. Most accountants have been found to have little or no knowledge of accounting software or how it aids their work. This makes most of them old fashioned accountants and the methods of their accounting systems archaic. On the other hand, employers of labour and industries expect Accounting Graduates to have acquired reasonable levels of accounting skills to enable them add value to the industries.

In a bid to close the identified gap in the level of understanding on the use of accounting software by accounting students, there arose the need to effectively incorporate ICT in accounting education in Nigeria. There are very few empirical research studies that considered the impact of integration of ICT with particular emphasis on accounting software packages in accounting curriculum in Nigerian higher institution, hence this study. This paper evaluates accounting education using accounting curriculum while information and communication technology would be looked at from the angle of accounting packages and IT knowledge and skills.

The main objective of the study is to assess the level of understanding of Accounting Graduates on the use of accounting software in selected Universities in Nigeria. The specific objectives of the study are to:

1. Determine the degree of incorporation of accounting software in accounting education curriculum of selected Universities in Nigeria.
2. Ascertain the extent of proficiency in the use of accounting software by final year accounting students of selected Universities in Nigeria.
3. Determine the extent to which graduating students in accounting of selected universities in Nigeria, understand the relevance of accounting software in today's organizational management.

The study in a null form, hypothesize that:

Ho_1: Accounting software is not incorporated in accounting education curriculum of selected Universities in Nigeria.

Ho_2: Graduating students of Accountancy Department of selected Universities in Nigeria, are not proficient in the use of accounting software.

Ho_3: Graduating students of Accountancy Department of selected Universities in Nigeria, do not understand the relevance of accounting software in today's organizational management.

The paper is organised as follows' the next section reviews relevant literature with regards to context justification and provide a theoretical background for the study, respectively. Next describes the sample data and empirical methodology. The last section summaries the main results, offers conclusion and recommendations.

Review of Related Literature

Concept of Accounting

Osisioma (1996), defined accounting as "the process through which a system of principles and techniques permits the recording, interpretation and communication of financial information, as an aod to decision making". Okafor (2009) described accounting as a technique of gathering and carefully recording data resulting from economic activities, summarizing, presenting financial reports, interpreting and communicating the financial information obtained from such report to the concerned parties for effective decision making. Soyode (2012) also described accounting as the act of measuring, communicating and interpretation of financial activities. It serves as a business language being practically used by nearly everybody in one form or another almost on daily basis. Accounting is equally defined as an act of recording, classifying and summarizing in a significant manner and in terms of money, transaction and events which are in part, at least, of a financial character and interpreting the result thereof. (American Institute of Certified Public Accounts. AICPA 2015) Shillinglaw and Meyer (2019) defined Accounting as the process of measuring and identifying economic variables in individual businesses and communicating information based on these measurement to users who need to make informed judgment. This information has been recorded and put into useful and meaningful context and transmitted to interested users. For the information to be useful for decision maker, it must possess all aspects of qualitative characteristics. Such information must be understandable, relevant, reliable, objectivity and in time for the needs of the users. Indeed, if such information is to maintain its required characteristics, it should develop well-defined procedures for recording and reporting of the financial information to users. Gaffikin (2013) defined accounting as a systematic method of retrospective and contemporary monetary calculation, the purpose of which is to provide a continuous source of financial information as a guide to future actions in markets. For the purpose of this study, Accounting is being defined as an *information function* that provides financial information and other information for rationalizing economic decisions concerning an economic entity made by decision makers who are insiders or outsiders to the economic entity. The roles of accounting in economic development are seen from different angles. For instance, when the capital market was discussed as an obvious way of tapping domestic saving, the need for financial reporting was emphasized. In discussing taxation for economic development, bookkeeping was considered an important factor for the success of the income tax system.

Concept of accounting software:

Ready ratios (2015) has it that accounting software are application software which record and process accounting transactions occurring within functional modules like accounts payable, payroll, accounts receivable, and trial balance. Before the idea of software came into practice with frequent use globally, cost management seemed to have existed for decade. Amesur (2006) states that cost control systems can easily be established using accounting software and that the simplest way of so doing, is by establishing a standard cost and measure actual costs against it. Also, Michael Prasad Group: Chartered Accountants (2015) puts forward and supports the notion that the right accounting software can aid in improvement of operating efficiencies and obtain a number of competitive advantages. By the same token, the term ‘cost’ has been of great interest to various professionals.

Software Usage: The use of accounting software is widely spread across the globe. Blundell (2007) as cited by Hsu (2007), agrees that QuickBooks is the number one accounting software. He added that “3.5 million US small businesses and 235,000 accountants" used it by 2007. MS Great Plains was the furthermost sophisticated accounting software of all the three which include; QuickBooks software by Intuit, PeachTree software by Sage, Microsoft Small Business Accounting software (Hsu, 2007). In Africa, South Africa founded TurboCash package and was being distributed by Pastel by 1990's and the product evolved to become widespread in South Africa and has 80% of the indigenous accounting software market (Eamonn, 2012). In Uganda, many businesses used accounting software. For example, Kaffu & Rippey (2013) stated that a money lender who is an employee of the Kampala City Council (KCC) rents an office in town where he offers loans and consultancy services. Having a full time employee in charge of record keeping, loan disbursements and repayments, and loan recovery, this small money lending business customized computerized accounting software to trace loans, compute portfolio at risk, and track financial performance. Also, Baryamureeba, *et al*. (2008) in their research on the Status of Software Usability in Uganda found out that most Ugandans were happy to have adopted the use of software in their organizations. 80% of respondents said their expectations were fully met through the adoption of computers in their organizations. Software acquired by organizations in Uganda was mostly custom built (48%) then freeware (27%) or re-engineered (25%). Of these, 62% was proprietary and 38% open source. In addition, there was a good return-on-investment for software users. Given the above, we realize that costs could be effectively and efficiently managed.

Importance of accounting software

Modern professional accountants employ a wide range of computer applications to perform their daily work. They use email to communicate, search engines to perform research, and accounting software to record and analyze financial transactions for decision-making. Computerized accounting systems have now replaced manual accounting systems in most organizations (McDowall and Jackling, 2006; Curtis et al, 2009). In business schools, accounting students are increasingly exposed to the benefits and usefulness of computers, and are encouraged to utilize information technology. Accordingly, accounting software has been developed to assist students in their knowledge acquisition of the accounting cycle, a fundamental concept in business and accounting. Therefore any student short of this knowledge and skill will be found to be irrelevant in this dispensation.

Accounting Education Curriculum and Integration of Accounting software Packages

Accounting software packages refers to intangible products. They can be described as a type of application software that records and processes accounting transactions within functional modules such as accounts payable, accounts receivable, payroll, and trial balance. They include Peachtree, Quickbook, Lotus 123, Super calc etc. A study by Wessels (2007) of the information and communication technology (ICT) education offered to accounting students at South African Universities revealed that students had limited exposure to the use of accounting software packages thereby affecting their ability to add value to organizations they find themselves. A study was carried out on more accounting theory or more information technology by Harrast, Strong and Bromley (2010), survey method was used to analyze the technology skills of undergraduate accounting students to determine their technological strengths and weaknesses. The findings of the research revealed that a large fraction of students are not proficient in requisite technologies even after completing the majority of their undergraduate accounting course work, thereby supporting the argument that the accounting curriculum would benefit from an increase in technology training with particular emphasis on tax software, audit software and spreadsheets.

Commonly Used Accounting software:

Quick Books; Quick Books is accounting software (package) that is used to process accounting transactions. This software provides the user with the following features: chart of accounts, customized invoices, track accounts payable, track accounts receivable, profit and loss statement, balance sheet and manage cash flows. This software may be used by small businesses and medium sized entrepreneurs. The QuickBooks software provides the Quick Payroll Software, which is used in processing employee salaries. However, the researchers are not licensed with QuickBooks in order to provide some samples of the package.

Sage Pastel Accounting: Sage Pastel Accounting is accounting software (package) that is used to process accounting transactions. This software has a payroll add on module which is used to process salaries. Sage Pastel Accounting is the application that was ranked highest with participants in study. Sage Pastel Accounting Spreadsheets are widely used throughout the whole world, either with accountants, engineers and many other professions. When using Sage Pastel Accounting users may import and export figures using spreadsheets.

Empirical Review

Terry (2014) explores the usage and impacts of Information Communication Technology (ICT) on the accounting profession in Barbados, a Small Island Developing State (SIDS). The study found that local accounting professionals have been slow in adopting advance ICT techniques with the top six usage of ICT being; writing letters, emailing and communicating, data entry, assisting in the reconciliation of bank statements, and production of financial statements and preparing working papers. Furthermore, the findings from the content analysis of the study indicated that respondents perceived both positive and negative impacts of ICT.

Okolie and Arowoshegbe (2014) critically examined the state of the profession and the dynamics that will help to build implicit confidence in the Accountant, mold his character and develop analytical mindset which will assist him to provide high standard of professional services. The objective of the paper is to identify the factors that have hindered the adequate and rapid development of accounting profession in Nigeria. These factors were highlighted under the section of challenges facing accounting education in Nigeria. It concluded that there is urgent need for effective training and retraining of practicing Accountants, for adequate provision of funds for the education sector and regular review of accounting curriculum to capture modern trends in Accountancy.

Maria (2010) focus on the effects of IT related organizational changes on the management accounting function and to contribute to the body of knowledge about the extent to which IT affects the ability to solve accounting tasks. The relationship between IT and accounting practices was investigated qualitatively using six case studies and measured the impact of IT on accountants' tasks. The findings suggest a tendency for change and the decentralization of accounting tasks.

Sanusi (2011) investigated the issues of information and communication technology (ICT) in the management of educational system. The researcher observed that no meaningful progress will be made in educational sector without adjusting to technological (scientific) innovations and discoveries.

Buba (2011) explored the importance of ICT to lecturers, students, school administrators, educational planners and other stake holders bearing in mind the enormous gains of this technology to improving the quality of teaching and learning in our institutions. Such as direct class teaching, provision of course materials, collaborative learning etc.

Al-khadash and Al-Beshtawi (2009), carried out a research on attitudes toward learning accounting by computers: the impact on perceived skills. The aim of the study was to determine the effectiveness of teaching undergraduate accounting students courses in accounting using computers. Four hundred and sixty-three (463) accounting students were examined and a multiple choice question survey was performed after concluding a course offered to teach students certain computer skills. The result of the study showed that the course had an impact on attitudes towards the perceived skills from using computers for accounting purposes. That is, the course taken by the students' that is meant to develop their IT knowledge and skills had a significant impact on the accounting students examined.

Contrary to the findings of Al-khadash and Al-Beshtawi (2009), based on a study carried out by Ng and Er (1989), they opined that computing is irrelevant to the learning of accounting concepts. Hence, IT knowledge and skills is irrelevant to accounting students.

Zureigat (2015) embarked on a research study on Accounting Graduates skills and employers' needs: The Saudi case. The result of the findings of the research revealed that IT knowledge and skills are essential for Accounting Graduates based on the employers view point in one of the biggest emerging market namely KSA in Saudi Arabia. As a result, accounting education programs are encouraged to restructure their programs to equip Accounting Graduates with the relevant IT knowledge and skills needed for the labour markets.

Similarly, another study conducted by Muda, Che-Hassan and Abdul-Samad (2009) on employers' reaction to the quality of Accounting Graduates produced by Universiti Technologi Mara (UiTM) revealed that there is a gap between the employers' perception on the determinants of quality of the graduates and the University's curriculum apparatus for ensuring quality of the graduates. The findings of the study suggests that it is important to ensure that Accounting Graduates are equipped with the required knowledge and skills to facilitate them in securing relevant employment and adding value to organizations in the future. The study also revealed that educators and university administrators play important roles in ensuring that Accounting Graduates obtain the necessary skills and knowledge for them to be marketable in the industry and in the public sector.

Methodology

Descriptive survey research design was used in this study. It refers to those studies which aims at collecting data on, and describing in a systematic manner the characteristics of a given population. The descriptive survey research design was considered appropriate because it describes certain variables in relation to the population (Onyeizugbe, 2017).

The population of study comprised of one thousand and fifty eight (1058) final year students from accountancy department of the selected Federal Universities in Nigeria.

The population of the study is given in the table below:

Table1: Population of graduating students in Accountancy Department (2019/2020)

S/N	Name of University	No of Final Year Students in Accounting Department
1	University of Lagos (UNILAG)	220

2	University of Jos (UNIJOS)	169
3	University of Port-Harcourt (UNIPORT)	245
4	University of Nigeria Nsukka (UNN)	164
5	Nnamdi Azikiwe University (UNIZIK)	140
6	Federal University, Ndifu-Alike, Ebonyi State (FUNAI)	120
	TOTAL	**1058**

Source: Field Survey, 2021.

From a population size of 1058 being the aggregate of the number of graduating students in accounting of the selected Universities in Nigeria, the researcher adopted TaroYamane's formula to obtain the sample size. This is demonstrated as follows:

Formula = Sample size (n) = $\frac{N}{1+N(e)^2}$

n = Unknown
N = 1058
e = 5%

Therefore, sample size (n) is obtained thus;

n= $\frac{1058}{1+1058(0.05)^2}$

n=$\frac{134}{1+1058(0.0025)}$

n= 290.266

Approximately, n=290

This study uses a sample size of two hundred and ninety students (290) who were drawn from the list of six (6) Federal Universities shown in Table 1 above. The six (6) Federal Universities were conveniently chosen by the researchers on the basis of accessibility to the various students. The categories of students covered in this study are final year accounting students, based on the fact that they are almost ready to enter the labour market.

The simple random sampling technique was adopted in this study to arrive at the number of students from each of the six universities that made up the sample size of 290; Forty eight (48) participants each, was randomly selected from UNILAG, UNIJOS, UNN, UNIZIK, and FUNAI, while fifty (50) participants were selected from UNIPORT which has the largest population.

A structured questionnaire was used to gather information from the selected students. The questionnaire was divided into sections 'A' and 'B'. Sections 'A' sought to collect personal data of the respondents. Section 'B' consisted of questions generated from the research question of the study.

Items in the questionnaire were analyzed using the four point Likert Scale:

SA = Strongly Agree = 4
A = Agree = 3
D =Disagree = 2
SD = Strongly Disagree = 1

Two hundred and ninety (290) copies of questionnaire were administered to the respondents through direct contact and mails by the researchers. They were given time to respond and the researchers return on agreed date for retrieval while those sent through mail were equally returned in due time. This helped the researchers achieve a very high response rate as all the questionnaire were duly completed and returned.

The instrument was subjected to content and face validity. The research supervisor checked whether or not the items were relevant, clearly stated and appropriate to the respondents. The validation determines the extent to which the tools implored measures the characteristics of the variables. The question used were relevant clear and unambiguous. Furthermore, it was to ensure that questions covered all the dimension of the variable included in the study. Reliability was addressed by making sure that research and investigative questions were consistent in measuring across all members of the targeted group the principle is that the methodology used in arriving at the result can be reproduced exactly because the questionnaire and interview were administered objectively and pretested. If the attitude of the targeted group does not change, the results should be substantively similar.

Data collected in the study were analyzed using weighted mean score to answer the research questions. The point 2.5 was taken as cutoff; for section B, any item with a mean above 2.5 was viewed as being agreed by the respondents any mean score below 2.5 was taken to be disagreed by them. Therefore, the mean will be worked out with the following formula:

$$X = \frac{\text{Sum total}}{\text{Number}}$$

$$X = \frac{4+3+2+1}{4}$$

Mean (x) $= \frac{10}{4} = 2.50$

Decision Rule: Mean score below 2.50 is taken as disagreed.

Pearson's correlation coefficient was used to further analyze the data. This is because; measuring the strength of association between the variables will help to arrive at a good conclusion on the study.

Table 2: Distribution based on personal data

No	Variables	Frequency (n=290)	Percentage (%)

a.	**Gender**		
	Male	106	36.55
	Female	184	63.45
	Total	**290.00**	**100.00**
b.	**Age (In years)**		
	Less than 20 years	-	-
	20-25 years	163	56.21
	25-30 years	120	41.38
	30-35 years	7	2.41
	35-40 years	-	-
	Total	**290.00**	**100.00**
c.	**Educational Qualification**		
	SSCE	102	35.17
	NCE/OND	73	25.17
	BSc/BA/HND	115	39.65
	MSc/MA	7	2.41
	Others	-	-
	Total	**290.00**	**100.00**

Source: Researchers' survey 2021

Table (2) revealed distribution of respondents based personal data
Gender: Majority, 184(63.45%) were females and 106(36.55%) were male during the time of study. This implies that the final year accounting students of selected Universities in Nigeria studied are dominated by females.

Age: Majority, 163(56.21%) were within the age range of 20 to 25years. This was followed by 120(41.38%) within 25-30 years while the remaining 7(2.41%) are in the age range of 30-35 years. This implies that the majority of final year accounting students of selected Universities in Nigeria studied are still in their active age.

Educational qualification:102(35.17%) are holders of SSCE, 73(25.17%) have NCE/OND, 115(39.65%) are with BSc./BA/HND, 7(2.42%) have MSc./Ma. This implies that majority of respondents attained level of educational qualification that will enable them understand the use of accounting software.

Accounting software and Accounting Education curriculum

Table 3: Distribution based on accounting software and accounting education curriculum

S/N	**Item**	**(4) SA**	**(3) A**	**(2) D**	**(1) SD**	**Mean $\bar{X}$**	**Decision**

i	There are inadequate I.T facilities in Nigerian Universities.	89 (356)	201 (603)	-	-	3.31	Agreed
ii	Accounting Lectures are carried out with the aid of information technology	10 (40)	106 (318)	163 (326)	11 (11)	2.40	Disagreed
iii	There are competent Accounting software experts employed in Accounting Department	-	175 (525)	115 (230)	-	2.60	Agreed
iv	Part of Accounting Education Curriculum is a course on Accounting software.	48 (192)	99 (297)	119 (238)	25 (25)	2.59	Agreed
v.	Accounting courses are taught using the relevant Accounting software.	(48) (192)	-	147 (294)	95 (95)	2.00	Disagreed
	Grand Mean					**2.58**	

Source: Researchers' survey 2021

Table 3 shows the mean distribution based on Accounting software and Accounting Education Curriculum with adoption of a four-point likert scale.

Item i, iii and iv was taken to be agreed by the respondents because their mean scores were above the cut off of 2.50. While item ii and v was taken to be disagreed by the respondents because their mean score was below 2.50. The grand mean is regarded as accepted with a score of 2.58. This implies that there is a low degree of incorporation of accounting software in Accounting Education Curriculum of selected Universities in Nigeria.

Accounting students and proficiency in accounting software

Table 4: **Distribution based on proficiency in accounting software and accounting students**

S/N	**Item**	**(4) SA**	**(3) A**	**(2) D**	**(1) SD**	**Mean $\bar{X}$**	**Decision**

i	Accounting students have primary knowledge of Accounting.	-	258 (774)	32 (64)	-	2.89	Agreed
ii	Accounting students have the Technical know-how of Accounting software.	-	60 (180)	206 (412)	-	2.04	Disagreed
iii	Accounting students are knowledgeable on how to choose the right software for every job to be done.	-	78 (234)	140 (289)	72 (72)	2.05	Disagreed
iv	Accounting students have acquired skills on the use and operation of Accounting software.	-	116 (348)	150 (300)	24 (24)	2.31	Disagreed
v.	Accounting students have the ability to design online Accounting systems for organizations.	10 (40)	10 (30)	176 (352)	94 (94)	1.78	Disagreed
	Grand Mean					**2.21**	

Source: Research Study, July 2021

Table 4 shows distribution based on accounting students and proficiency in accounting software with adoption of a four-point likert scale. Only item i was taken to be agreed by the respondents with a mean score of 2.89. Other items were taken to be disagreed because their mean scores were below the cutoff of 2.50. This shows that accounting final year students of selected Universities in Nigeria, do not have proficiency in the use of accounting software.

Accounting graduates and software relevance

Table 5: Distribution based on accounting graduates and knowledge of software relevance in today's business

S/N	Item	(4) SA	(3) A	(2) D	(1) SD	Mean $\bar{x}$	Decision
i	Accounting software helps in the detection and prevention of fraud in organizations	152 (608)	138 (414)	-	-	3.52	Agreed
ii	Accounting software helps in producing timely reports on the financial performance and position of an organization	184 (736)	106 (318)	-	-	3.63	Agreed
iii	Accounting software helps the external auditor conduct audit with ease and professional skepticism	162 (648)	128 (384)	-	-	3.56	Agreed
iv	Accounting software puts internal checks and controls on organizations' data.	152 (608)	90 (270)	48 (96)	-	3.36	Agreed
v.	Accountant are becoming the IT staff and trusted advisors in organisations	-	242 (726)	48 (144)	-	3.00	Agreed
	Grand Mean					**3.41**	

Source: Researchers' 2021

Table (5) shows the distribution based on accounting graduates and their understanding of the relevance of accounting software in today's organizational management. The entire items are regarded as agreed with a grand mean score of 3.41. While items ii has the highest mean score of 3.63, followed by item iii, i, iv, with mean scores of 3.56, 3.52, 3.36 respectively which are above the threshold of 2.50 and the least item have a mean score of 3.00 which is regarded as agreed. This result indicates that graduating students of accounting fully understand the relevance of accounting software in today's organizational management.

Hypotheses Testing Using Statistical Package for Social Sciences (SPSS) Version 23

Hypothesis One

H_0: Accounting software is not incorporated into accounting education curriculum

Note: Alpha value (α) = 0.05

Decision Rule: Where the Sig. value is less than the alpha value (α), H_0 is rejected and H_1 accepted.

Table (4): Correlations of Accounting Software and Accounting Education Curriculum

		Accounting Software	Accounting Education curriculum
Accounting Software	Pearson Correlation	1	.521**
	Sig. (2-tailed)		.051
	N	19	19
Accounting Education curriculum	Pearson Correlation	.521**	1
	Sig. (2-tailed)	.051	
	N	19	19

**. Correlation is significant at the 0.01 level (2-tailed).
Source: Researcher's computation using SPSS Version 23, Output, 2021

Table (4) shows the correlation results of the hypothesis $H_{0:}$ accounting software is not incorporated into accounting education curriculum. The statistical result indicates a moderate correlation between accounting software and accounting software education. There is a moderate correlation with 0.521 and Sig. value greater than 0.05. (r=0.521, n=19, Sig. value > 0.05). This reflects moderate correlation. The result of the correlation analysis supports that accounting software is not fully incorporated into accounting education curriculum.

Hypothesis Two

H_0: Graduating students of accounting department are not proficient in the use of accounting software.

Note: Alpha value (α) = 0.05

Decision Rule: Where the Sig. value is less than the alpha value (α), H_0 is rejected and H_1 accepted.

Table (5): Correlations of Graduating students and proficient in the use of accounting software

		Graduating students of accounting	Proficiency in the use of accounting software
Graduating students of accounting	Pearson Correlation	1	.110**
	Sig. (2-tailed)		.071
	N	19	19
Proficiency in the use of accounting software	Pearson Correlation	.110**	1
	Sig. (2-tailed)	.071	
	N	19	19

***. Correlation is significant at the 0.01 level (2-tailed).*
Source: Researcher's computation using SPSS Version 23, Output, 2021

Table (5) shows the correlation results of the hypothesis $H_{0:}$ Graduating students of accounting are not proficient in the use of accounting software. The statistical result indicates a very weak correlation between graduating students of accounting and their proficiency in the use of accounting software. There is a very weak correlation with 0.110 and Sig. value less than 0.05. (r=0.110, n=19, Sig. value > 0.05). This reflects a very weak correlation and no statistical significance as well. The result of the correlation analysis supports that graduating students of accounting are not proficient in the use of Accounting Software.

Hypothesis Three

H_0: Graduating students of accounting department do not understand the relevance of accounting software.

Note: Alpha value (α) = 0.05

Decision Rule: Where the Sig. value is less than the alpha value (α), H_0 is rejected and H_1 accepted.

Table (6) Correlations of graduating students of accounting and their understanding of the relevance of accounting software

		Graduating students of accounting	Understanding of the relevance of accounting software.
Graduating students of accounting	Pearson Correlation	1	.978**
	Sig. (2-tailed)		.000
	N	24	24
Understanding of the relevance of accounting software.	Pearson Correlation	.978**	1
	Sig. (2-tailed)	.000	
	N	24	24

***. Correlation is significant at the 0.01 level (2-tailed).*

Source: Researcher's computation using SPSS Version 23, Output, 2021

Table (5) shows the correlation results of the hypothesis H_0: Graduating students of accounting fully understand the relevance of accounting software. The statistical result indicates a very strong correlation between graduating students of accounting and their understanding on the relevance of accounting software. There is a strong positive correlation with 0.778 and Sig. value less than 0.05. (r=0.778, n=24, Sig. value <0.05). This reflects a very strong positive correlation and statistical significance as well. The result of the correlation analysis supports that graduating students of accounting understand the relevance of accounting software in today's organizational management.

Discussion of Findings

This study examined the level of understanding of Accounting Graduates on the use of accounting software in selected Universities in Nigeria. The study specifically determined whether: there is a statistically significant relationship between Accounting software and Accounting Education Curriculum, there is a statistically significant relationship between proficiency in Accounting software and final year students in Accounting and whether there is a statistically significant relationship between understanding the relevance of accounting software and Accounting Graduates of selected Universities in Nigeria. The study adopted descriptive survey design. And out of a population of 1058, a sample size of 290 was determined for the study using Taro-Yamane formula for finite population.

The findings from the presentation of data through the responses of questionnaires administered showed that there is a low degree of incorporation of accounting software in accounting education Curriculum of selected Universities in Nigeria, with the adoption of a four point likert scale. The result also shows that final year accounting students of selected Universities in Nigeria, do not have proficiency in the use of accounting software. It was further revealed that graduating students of accounting do understand the relevance of accounting software in today's organizational management.

The result of the first hypotheses revealed that there is a moderate correlation between accounting software and Accounting Education Curriculum, and the second hypotheses revealed that there is a weak correlation between proficiency in accounting software and final year accounting students while the third hypotheses revealed that there is a very strong correlation between graduating students of accounting and the understanding of the relevance of accounting software in today's organizational management.

The summary of the findings revealed by this research is stated below:

i. The result of the correlation analysis of hypothesis one supports that accounting software is not fully incorporated into accounting education curriculum.
ii. The correlation analysis results show that graduating students of accounting are not proficient in the use of Accounting Software.
iii. The result of the test of hypothesis three agrees that graduating students of accounting understand the relevance of accounting software in today's organizational management.

Conclusion and recommendations

The study concludes that there is a low degree of incorporation of accounting software in Accounting Education Curriculum of Universities in Nigeria. The study also concludes that graduating accounting students of Nigerian Universities do not have proficiency in the use of accounting software. Moreover, that graduating students of accounting have a very strong understanding of the relevance of accounting software in today's business and organizational management.

Based on the findings from this research study, the under listed were recommended:

i. The National Universities Commission (NUC) and relevant educational bodies should incorporate soft skills into accounting curriculum at all level a practical course on accounting packages and IT knowledge and skills. This would enable students to fit in better and become more employable in today's IT based business environment.
ii. There should be a practical examination on the use of accounting software for accounting degree exams.
iii. NUC should enforce strict adherence to the ICT integrated curriculum in accounting by Universities to ensure that final year students in higher institutions (both public and private) attain proficiency in the use of accounting software before passing out.
iv. Higher institutions should also be encouraged to employ IT knowledgeable and skilled lecturers who would be in charge of driving IT knowledge and skills in the students before graduating for more efficiency in application of accounting software

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