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EFFECT OF PRESSURE ON DISCRETIONARY ACCRUALS IN DEPOSIT MONEY BANKS IN NIGERIA

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ABSTRACT

In the trend of globalization, profit is always a concern for companies because the competition is increasingly fierce. In spite of banking regulation and examination by the Central Bank of Nigeria, Deposit Bank Insurance Corporation, and the Chartered Institute of Bankers of Nigeria, there is still a growing concern about fraud and other unethical practices in the commercial banks. With accounting tools and policies, managers of companies can perform profit management. Thus, the paper seeks to ascertain the effect of pressure on discretionary accruals in deposit money banks in Nigeria. The study employed ex post factor research design and a total of fifteen (15) Commercial Banks listed in the Nigerian Exchange Group from 2019-2023 were sampled. Secondary data was collated even as descriptive statistics and correlation coefficient was used to conduct analysis through SPSS statistical software. Finding made showed that pressure has significant effect on discretionary accruals. It was therefore recommended that Shareholders, Managers and Forensic accountants, should be effective in mitigating pressure in cause of corporate dealings..

1. INTRODUCTION

Pressure poses massive challenge for many organizations, impacting greatly on bottom – line profits, causing negative publicity and eroding customers, stakeholders and shareholders confidence around the world (Ozondu, Okoye & Adeniyi, 2019). Rahmanti and Daljono (2013) mentions that pressure is the subject’s encouragement to commit acts of cheating. In companies, the most common pressure is the manipulation of financial statements due to a decline in the company’s economic performance. Statement on Auditing Standards (SAS) No. 99 states that there are 4(four) common conditions of pressure that can trigger fraud. These conditions include financial instability, financial targets, external pressures, and individual financial needs.It is for these reasons that directors on discretionary accruals (DA) have become a topic attracting the attention of many researchers. Pressure is one of the element in fraud pentagon that management uses to commit fraud in an organization which plays a vital role in the life of management. It affecting the well-being of investors, employees, community's and economic stability.In Nigeria (Nwoye, Adeniyi & Abiahu 2020). DA is always a challenge to improve the quality of users' information (Thinh & Tan, 2019; Okudo, Amahalu, Obi, & Okafor, 2022). The attraction of foreign direct investment creates a transparent information environment to create confidence for investors, so it is necessary to have active solutions from state management agencies (Dang et al., 2017). DA is the responsibility of managers to stakeholders to demonstrate the obligation and reputation of the business to the users of information (Tran et al., 2020). Moreover, it is a time when Nigeria is increasingly integrating with the world economy. It is one of the factors that cannot be ignored when considering the effect on discretionary accruals.

1.1 Objectives of the Study

The main objectives of this study is to ascertain the effect of pressure on discretionary accruals in deposit money banks in Nigeria, while the specifics objectives are to:

1. determine the effect of short-term debt on discretionary accruals in deposit money bank
2. ascertain the effect of earnings Per Share on discretionary accruals in deposit money bank
3. investigate the effect of firm size on discretionary accruals in deposit money bank

1.2 Hypotheses

The following hypotheses were formulated in null form based on the above stated objectives:

H_{o1}: Short-term debt does not significantly affect discretionary accruals in the Deposit Money Banks.

$H_{o2:}$ Earnings Per Share does not significantly affect discretionary accruals in Deposit Money Banks.

$H_{o3:}$ Firm size does not significantly affect discretionary accruals in Deposit Money Banks.

2. LITERATURE REVIEW

2.1 Conceptual review

2.1.1 Financial Pressure

The most well-known definition of financial pressure arises from any situation where money worries are causing stress. It may relate to debts facing now, or financial concerns about the future. It could be about actual or feared changes in work or personal circumstances that affect some income,(Northern, O'Brien, & Goetz, 2010).define it as the inability to meet one's economic responsibilities and is influenced by attitudes, beliefs, and other psychological factors If a company is under pressure to meet financial targets or expectations, management might be tempted to manipulate discretionary accruals to enhance reported earnings and meet those targets, potentially alleviating financial stress. Cressey (1953) a condition that is always present in cases of financial statement fraud is pressure. Skousen et al. (2018) prove the existence of a significant relationship between pressure and financial statement fraud. Most researches in Indonesia also show that pressure is a risk factor for financial statement fraud (Sihombing & Rahardjo, 2014; Maghfiroh, et al., 2015 and Widarti, 2015). Pressure arises if a company’s performance falls below the industry average and management may manipulate the company’s financial statements (Nwoye, Ekesiobi & Abiahu, 2017) by providing the appearance of stable growth (Skousen et al., 2018). As such, growth in assets is used to indicate a company’s financial stability (Beneish, 2017; Beasley et al., 2010). Dechow et al. (2018) argue that the demand for external financing depends not only on how much cash is generated by a firm’s operating and investment activities, but also on the amount of funds available within the firm.

Nigeria has witnessed her fair share of financial reporting problems in the past. Several scandals which involved Chief Executive Officers (CEOs) of five banks were a glaring pointer (Ochuka, Nwoye & Okoye, 2022; Egbunike, 2010). The Central Bank of Nigeria, in a swift move reminiscent of the Asian tsunami, on August 14th 2009, accused the CEOs of the banks of irregular financial reporting and corporate governance dysfunction. The banks were also accused of being over loaded with non-performing loans and with their balance sheets prepared by their auditors to paint a picture of prosperity and buoyancy. The banks include Intercontinental Bank, Union Bank, Oceanic Bank, Afribank and Finbank; by 2012, these banks collapsed and were either merged or acquired by other banks. These were expressed by Obinor (2019) that these banks had been living on bubble capital all along, giving false impression about their actual states and coupled with high debt portfolio that were not disclosed in their financial statements. To assist in assessing fraud risk, the Public Company Accounting Oversight Board (PCAOB) has emphasized that detection of fraud is an important objective of an audit and an important focus of the Board. In an effort to address perceived deficiencies of SAS No. 82, the ASB issued SAS No. 99: “*Consideration of Fraud in a Financial Statement Audit*,” in 2002 (AICPA, 2002a). One of the requirements of SAS No.

99 is that the auditors' consideration of fraud must involve the "exchange of ideas or brainstorming among the audit team members, including the auditor with final responsibility for the audit, about how and where they believe the entity's financial statements might be susceptible to material misstatement due to fraud, how management could perpetrate and conceal fraudulent financial reporting, and how assets of the entity could be misappropriated" (ASA 240; ASA 315; ISA 240; ISA 315; SAS No. 99; AICPA, 2002b). In a report issued by PCAOB, the Board reminds auditors to be diligently focused on their responsibility to detect fraud and urges auditors to comply with the requirements of Statement on Auditing Standards (SAS) No. 99, thereby improving the likelihood that auditors will detect material misstatements due to fraud in a financial audit (Nwoye, Ekesiobi, Obiorah & Abiahu, 2016). SAS No. 99 also stipulated that auditors need effective model(s), ratios or statistical techniques to augment the various audit analytical procedures usually performed in the cause of their audit assignment. They need tested ratios that possess the capability of pointing to areas in the financial statement prone to manipulation, thus strengthening the substantive tests usually performed on the figures and balances of the financial statements (Nwoye, Okoye & Oraka, 2013). The report of the Association of Certified Fraud Examiners (ACFE), USA in 2004, also attested to the above belief. These provide auditors with a better understanding of what fraud entails, exposing them skilfully to those model indicators and fraud risk factors that constitute and contribute to fraud perpetration in the Financial Statements of DMBs in Nigeria. Thus, emphasis is now shifting towards auditors actively searching for frauds.

Bank frauds in recent times have been facilitated through the use of computers. Fraud prevention initiatives, particularly in electronic and on-line banking, have sought to protect computers and computer networks from interference and manipulation (Moutinho & Smith, 2010). With the ever-developing sophistication of computer systems, continued effort is directed at preventing computer frauds through effective management and monitoring of information technology systems (Nwoye & Ogbodo, 2021). For instance, ATM and ETPOS terminals are located in secure places where users are protected physically from shoulder surfing to obtain PINs and passwords. ATMs are even placed in lobbies with card access under security guards. Ulbert (2022), one tool that has become a standard for fraud prevention in deposit money banks is the web geography technology known as geo-location. Geo-location is the system of determining the true geographical location of the on-line customer. Ulbert stated that geography is a proven fraud indicator and geo-location has established itself as a critical underpinning technology that enables the on-line commercial banks to do business with confidence. Geo-location technology identifies the geographical location of any on-line visitor to an e-banking website in real time from the country of origin down to the city level with precision. Ulbert (2022) further stated that geo-location employs a combination of technologies, data gathering systems and human expertise to identify the users' location. Geographical information can provide clues to possible frauds. For example, out-of-state cheques call for additional scrutiny. This will enable the deposit money banks to compare the user's true location with the address on the account or application. Egbunike (2014) commercial banks usually use the payer authentication option offered by the card issuing companies like MasterCard and VISA International. The payer authentication option makes use of password. Payments are only authorized if the customer knows the password since this makes it more likely that the person making the withdrawal is in fact the genuine cardholder. Commercial banks also keep database of both the good and bad customers to be at alert. According to Egbunike (2010), corporate fraud prevention in commercial banks involves more than risk assessment, monitoring and supervisory review. He stated that commercial banks develop specific instruments to deal with specific kinds of frauds. For instance, he stated that bank transactions on the Internet or any digital equipment no longer involve signatures. This is because anybody can cut out the signature and paste it on something else and then use it to advantage. Egolum, Okoye, and Eze (2019) stated that the most frequently used strategy for the perpetration of bank frauds is the creation of false identity based upon altered and counterfeit documentation. These scholars also stated that the most successful counter measure is the improved reliability evidence used for personal identification 55 since authenticating one's identity is very crucial in preventing computer-based frauds. He further stated that some security measures adopted by commercial banks in this regard are password security, challenge–response protocols a bondmen call-back systems. These methods, according to him, have been devised by commercial banks to authenticate the identity of the real customer(s) of the bank.

2.1.3 Discretionary Accruals

Discretionary accruals refer to accounting adjustments made by a company's management based on their judgment or discretion rather than being driven by actual cash transactions or external events. These accruals are typically related to estimates and assumptions made by management regarding future expenses or revenues.Accrual accounting requires companies to recognize revenues and expenses when they are earned or incurred, not necessarily when cash transactions occur. Discretionary accruals come into play when management makes subjective judgments about the timing or amount of these accruals.(Walker,2013), Identified discretionary accruals as accounting adjustments that explain the differences between the accrual accounting principles and cash accounting principles, Discretionary Accruals dimension, as a result of the application of the accounting choice, Discretionary Accruals is predominantly associated with the opportunistic and manipulator behavior of managers (Kuoetal., 2014), with the purpose of sizing the results according to their own objectives (Abernathy et al., 2014). However, Discretionary Accruals is a tool that, ethically used, can help decrease the value of the firm (Omar et al., 2014), managers choosing the most favorable accounting treatments and reporting methods, thereby influencing how economic events are redirected in the performance indicators (Walker, 2013). signal theory, managers can use accruals as private communication tools related to the entity's future performance (Koerniadi & Tourani-Rad, 2011).the Discretionary Accruals dimension is predominantly associated with the level of opportunistic behavior of managers, conducted in order to manipulate the results and which leads to the reduction of the quality of financial information (Zéghal et al., 2011; Pelucio-Grecco et al., 2014; Arun et al., 2015; Lo et al., 2017; Rodrigues et al., 2019).the manipulation of discretionary accruals has as main aim "borrowing" some results from future periods or "postponing" current ones for a future moment (Abernathy et al., 2014), all with the purpose of opportunistic control of the level of performance (Perotti & Wagenhofer, 2014). In order to meet these self-imposed objectives, managers can intervene by manipulating sales (offering short-term discounts to increase sales, relaxing sales credit conditions), or generating overproduction (to reduce production costs) (Ge & Kim, 2014).

2.2 Theoretical Review

This section presents the theoretical framework that underpins the study under review such as theory of positive accounting explained below.

2.2.1 Positive accounting theory

The Positive Accounting Theory developed by Watts and Zimmerman (1978) was focused on trying to predict the actions of managers of business organizations when faced with choices of different accounting policies. It also tries to predict how firms' managers will react when new accounting standards are proposed. The theory, in attempt to understand accounting policy decisions, examines a range of relationship, or contract, in place between the entity and suppliers of equity capital(owners), managerial labour(management) and debt capital (lenders or debt holders). Positive accounting theory is based on an underlying economic assumption called the "rational economic person"assumption, which assumes that all individuals act in their own self-interest and are rational wealth maximisers. According to Scott, (2003), positive accounting theory attempts to make good predictions for real world and practical accounting events. Watts and Zimmerman (1978) investigate the factors influencing management's attitude on accounting standards including management compensation plans, regulation, political costs, taxes and accounting information production. Setyorini and Ishak, (2012) positive accounting theory describes business organizations in terms of a collection of contracts – a nexus of contracts. For example, there are contracts with managers, suppliers of capital, employees, government and regulators and most importantly with investors. The contracts are necessary to get individual parties to act to maximize the wealth of the owners. However, there will be contracting costs associated with the contracts, for example, costs of negotiating with and maintaining and monitoring the performance of the parties involved. Thus, the theory holds that firms will seek to minimize the contracting costs and this will affect the policies adopted, including the accounting policies (Graffikin, 2007). They believed that individuals act to maximize their utility and management chooses or discriminates against specific accounting standards based on self-interests. For example managers have incentives to choose accounting standards that report lower earnings due to tax, and political and regulatory systems (Osho & Ayorinde, 2018). Conversely, they also have incentives to make accounting choices that inflates earning to qualify for performance-based remunerations and bonuses. From the above, it can be inferred that Positive Accounting Theory is relevant for research on earnings management.

2.3 Empirical Review

Kusumosari and Solikhah, (2021) examine more deeply the impact of the hexagon fraud factor on financial statement fraud determined by discretionary accruals. Objective: The study aims to determine the effect and correlation of all hexagon fraud proxies on financial statement fraud using discretionary accruals in the banking sector listed on the Indonesia Stock Exchange (IDX) from 2018-2020. Methods: The research design is a quantitative design with descriptive and correlational methods, especially multiple linear regression analysis. Results: The findings of this study are that financial stability the nature of the industry and rationalization have a positive and significant effect on discretionary accruals. Meanwhile, personal financial needs, financial targets, capabilities, and collusion have a negative and insignificant effect on discretionary accruals.

Menik Indrati and Nadya Claraswati's (2021), study is on Financial Statement Detection

Using Fraud Diamond, the study aims to detect fraudulent financial statements using the theory of fraud diamond. Financial statement fraud is measured using the Modified Jones Model. Disclosure of accrued income from credit sales and accrued receivables of the company is the reason for using the Modified Jones Model. In this study, the authors add the use of the receivables ratio as a proxy variable from the nature of the industry so that the most suitable research model used in detecting financial statement fraud is using the Modified Jones Model. The population in the study are all property and sector companies real estate listed on the Indonesia Stock Exchange for the 2015-2019 period. The sample in this study was 20 companies (100 company data with an observation period of 5 years) in the property and sector real estate listed on the Indonesia Stock Exchange from 2015 to 2019. Using multiple linear regression statistical methods and hypothesis testing using SPSS version 26. This study indicates that financial stability, target, and auditor change do not affect financial statement fraud. Meanwhile, external pressure, the nature of the industry, and total accruals affect fraudulent financial statements.

Yessi Puspithaa , Gerianta Wirawan Yasab (2021), carried out Fraud Pentagon Analysis in Detecting Fraudulent Financial Reporting(Study on Indonesian Capital Market) the study aims to detect the occurrence of fraud by using fraud Pentagon analysis. The fraud pentagon theory developed by Crowe Howart in 2011 covers financial stability, external pressure, personal financial needs, financial targets, nature of industry, ineffective monitoring, organizational structures, auditor switching, change of director, and frequent number of CEO's picture. The study uses secondary data. The populations in this study were all non-financial companies that were sanctioned due to violations of regulations VIII.G.7 and IX.E.2 during 2012-2016, the research sample was determined using the purposive sampling method, the data analysis technique used is logistic regression analysis. The test results prove that external pressure, ineffective monitoring, auditor switching, change of director, and frequent number of CEO's picture can predict fraudulent financial reporting. Meanwhile, financial stability, personal financial needs, financial targets, the nature of the industry, and organizational structures cannot predict fraudulent financial reporting.

Surepno and Muslim Marpaung (2018), Fraud Pentagon and Fraudulent Financial Reporting in Jakarta Islamic Index, the study aims to examine Pentagon fraud with five elements that can influence the occurrence of fraudulent financial reporting on the Jakarta Islamic Index. Fraud pentagon has five elements there is pressure, opportunity, rationalization, competence (competence/ability), and arrogance. The research is a quantitative study using logistic regression analysis methods with SPSS tools. The results showed that fraud pentagon with five elements can influence the occurrence of fraudulent financial reporting in companies incorporated in the Jakarta Islamic Index. But among the five elements are pressure, opportunity, rationalization, and competence (competency /ability), the element of arrogance does not have a significant effect on the occurrence of fraudulent financial reporting.

The importance of Deposit Money Banks (DMBs) as engine of growth for development cannot be over-emphasized, but the alarming rate at which fraudulent and criminal acts have permeated DMBs in recent times has made this study timely. Fraud risk factors can be defined as events or conditions that indicate *incentives* to perpetrate fraud, *opportunities* to carry out fraud, *rationalizations* to justify a fraudulent action, the *capability* and *behavioral* aspect to use positional authority to pull off a crime proffered by the theory of the fraud diamond in place of the fraud triangle by adding the fourth element or variable, the capability. They argued that the fraud diamond offers a better view to factors leading to However, auditors are cautioned not to think that these fraud risk factors are all-inclusive before the incidence of fraud. Meanwhile, research has found that auditors who used different ideas and techniques that encouraged them to develop their fraud risk factors outperformed those who relied on a checklist based on looking only for the illustrated fraud risk factors. Moreover, Appah, and Bariweni, (2013), mentioned that, International Standards on Auditing No. 240 provides similar directions to auditors under SAS No.99 concerning fraud. Both present specific requirements for auditors to follow like; considering a company's internal controls and procedures, and how these are implemented when planning the audit, designing and conducting audit procedures to respond to the risk, that management could override internal controls and procedures. Even when efforts have been made to resolve this argument empirically, the contrasting results appear to be more perplexing, thus increasing the desirability for studies in this field. Hence, this study tends to fill the gap by examining the effect of pressure on deposit money banks in Nigeria.

3. MATERIAL AND METHOD

The study adopted the *ex post facto* research design. The population of the study comprised DMBs listed on the Nigeria Exchange Group from 2019 to 2023. The choice of ex post facto research design is justified for the retrospective nature of the data, and by examining the relationship between an independent variable and a dependent variable after the fact. Secondary data was used for the study. Secondary Data covering a period of five (5) years (2019-2023). The sample comprised fifteen (15) Deposit Money Banks (DMBs) listed in the

Nigerian Exchange Group as of 31st December, 2023. The study employs the probability sampling technique premised on the scope with a complete data set to ensure the homogeneity of the sample. Data collected were analyzed using descriptive and correlation coefficient methods.

The study adopted the model Puspitha and Yasa (2018) study on the Indonesian capital market, the model is stated below as follows:

Econometric Specification::

In $\frac{FFR}{1=FFR}$= □ + β_1FS + β_2EP + β_3PFN + β_4FT + β_5NI + β_6IM+ β_7OS + β_8AS + β_9DC + β_{10}FNOP + ε…………………………..Eqn 1

Where:

FFR = Fraudulent Financial Reporting

FS = Financial Stability

EP = External Pressure

PFN = Personal Financial Need

FT = Financial Target

NI = Nature of Industry

IM = Ineffective Monitoring

OS =Organizational Structure

AS = Auditor switching

DC = Change of Director

FNOP = Frequent Number of CEO's Picture

ε = Error

The above model is adapted to suit our study objectives as follows in a functional form, we have:

DAC = *f* (STD, EPS, FS) ………………………Eqn 2

The model is stated below explicitly as follows:

$DAC_{it} = \beta_0 + \beta_{1STDit} + \beta_2 EPD_{it} + \beta_{3FSit} + \mu$………………………Eqn 3

Where:

β_0	-	Constant
DAC	-	Discretionary Accruals
STD	-	Short term debt
EPS	-	Earnings per share
FS	-	Firm size

µ - Error term

3.1 Decision Rule

The study accepted the alternative hypothesis (H_1), otherwise, we reject and accept the null hypothesis (H_0) at 5% (0.05) significant level.

4. RESULT AND DISCUSSIONS

4.1 Data Analysis

This section examined the descriptive statistics for both the independent and dependent variables of interest using probability sampling techniques.

Table1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	1.000[a]	1.000	1.000	0.22338

a. Predictors: (Constant), firm size, short-term debt, earning per share

Table 1 gives the value of correlation ® as 1.000. This implied that the correlation between firm size, short-term debt, and earnings per share is the line between 1%. the correlation is significant as indicated by the standard deviation of 0.22338 which is less than 0.05(at 5 percent level of significance)As such we reject the null hypothesis and accept the alternative hypothesis.

Table 2: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4479.451	3	1493.150	29923.750	0.000[b]
	Residual	0.549	11	0.050		
	Total	4480.000	14			

a. Dependent Variable: DAC
b. Predictors: (Constant), firm size, short term debt, earning per share

Source: SPSS Output, 2023

The sum of the square of regression 4479.451 that is (SSR). The sum of the square error is 0.549 which is SSE, The sum of the square total (SS)

F-statistic = $\frac{msst}{msse}$= 29923.750, This shows that it is highly significant therefore the reject H_0 and accept H_1 are the calculated values.

Table 3: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.159	0.417		17.156	0.000
	Short term debt	0.461	0.155	0.337	2.971	0.013
	Earnings per share	0.670	0.166	0.507	4.030	0.002
	Frim size	0.205	0.127	0.156	1.614	0.135

a. Dependent Variable: DAC

From the correlation matrix, the value, of 0.461 means that 46.1 percent of short-term debt is involved, and Earning per share of 0.670 shows that is it 67% significant, it only shows 0.205 that 20.5 percent of firms are affected. Using the beta function for analysis it show that 0.507 means 50.7% of the earning share highly significant, it means more investor as saved to invest . The 0.337 that 33.7% show that short term cannot improvement on the business growth, therefore affect future planning investor and it required quick returned. 0.127 Which means 12.7% show that firm size determined returned on investment.

4.2 Text of Hypotheses

To test the hypotheses a random effects regression result was estimated, This model focuses on estimating the effect of pressure on Discretionary Accruals of DMBs.

4.2.1 Hypothesis One

Ho_1: Short-term debt does not significantly affect discretionary accruals in the Deposit Money Banks.

From Table 3, Short-term debt as an independent variable to DAC recorded a positive and significant influence on DAC at a 5% level of significance (t-statistics 2.971; p-value 0.013 which is less than 0.05). This, therefore, implies that an increase in short-term debt will cause an increase in DAC. This evidence, therefore, leads to a rejection of the null hypothesis and acceptance of the alternate since p-value obtained is less than 0.05; thus, there is a significant effect of short-term debt on discretionary accruals in deposit money banks.

This is supported by Trinh Quoc, (2020)This study seeks to examine the relationship between short-term debt maturity and accruals-based earnings management using a sample of listed firms in Vietnam from 2010–2017. The extant literature remains under-explored on the impact of short-term debt on accruals-based earnings management at low and high levels of short-term debt. We further dissect the impact of the interaction between growth opportunities and short debt maturity on accruals-based earnings management. The findings provide evidence suggesting that short-term debt maturity is likely to exert a desirable impact in lowering earnings management at low levels of short-term debt, while at high levels it tends to increase earnings manipulation, demonstrating a U-shaped relationship. Furthermore, we show that growth opportunities moderate the impact of short debt maturity on earnings management. Specifically, the U-shaped pattern between short-term debt and earnings management is pronounced for firms with low growth opportunities, while for high-growth counterparts that pattern weakens.

4.2.2 Hypothesis Two

Ho_2: Earnings Per Share do not significantly affect discretionary accruals in Deposit Money Banks.

From Table 3 above, EPS as an independent variable to DAC had a positive and significant influence on DAC at a 5% level of significance (t-statistics 4.0300; p-value 0.002 which is less than 0.05). This, therefore, implies that an increase in EPS will cause an increase in DAC. This evidence, therefore, leads to a rejection of the null hypothesis and acceptance of the alternate since p-value obtained is less than 0.05; thus, there is a significant effect of EPS on discretionary accruals in deposit money banks.

This finding was.supported by Ikebujo Ogechi Salome and F. N. Akani (2021)Using the regression model, it was shown that there was a positive relationship between discretionary accruals and earnings per share of manufacturing companies in Nigeria. indicates a positive relationship between discretionary accruals (DACC) and earnings per share (EPSH). With a coefficient of regression (B) value of 0.0041 implying that a unit increase in discretionary accruals (DACC) is predicted lead to a 0.0041 units increase in earnings per share (EPSH) and vice versa. The discretionary accruals management practices of manufacturing companies was also analysed to determine how it affects financial performance in terms of earnings per share. Using the regression model, it was shown that there was a positive relationship between discretionary accruals and earnings per share of manufacturing companies in Nigeria. The coefficient of regression for the relationship between the variables gave a value of 0.004123 which indicates that a unit increase in discretionary accruals is predicted to lead to a commensurate increase in earnings per share. Furthermore, the relationship was not statistically significant considering that the computed t-statistic gave a value of 1.4426 which is less than the critical t-statistic value of 1.962. This finding was further buttressed by the computed probability of t-statistic value of 0.1498 which exceeds the established 0.05 critical limit. Thus, it was concluded that discretionary accruals management does not significantly influence the financial performance of manufacturing companies.The research by Umobong and Ibanichuka (2016) reported similar findings where the authors examined accounting manipulations using the timing of assets and the firm's financial performance using Return on assets, Return on Equity, and Earnings per share based on Secondary. The Study indicated a positive relationship between earnings management and return on assets and earnings per share while a negative relationship was reported for earnings management and return on equity.

4.2.3 Hypothesis Three

Ho_3: Firm size does not significantly affect discretionary accruals in Deposit Money Banks.

From Table 3 above, Firm size as an independent variable to DAC appears to have a positive but no significant influence on DAC at a 5% level of significance (t-statistics 1.614; p-value 0.135 is greater than 0.05). This, therefore, implies that a reduction in firm size will cause a reduction in DAC. This evidence, therefore, leads to a rejection of the alternative hypothesis and acceptance of the null hypothesis since the p-value obtained is greater than 0.05; thus, there is a non-significant effect of firm size on discretionary accruals in deposit money banks. This was supported by U. I. Ironkwe.(2020) (FSIZ) had a positive and statistically significant relationship with net profit margin - a coefficient of regression value of 0.0608 and probability of t-statistic value of 0.000. the moderating variable (FSIZ) had a positive and statistically significant relationship with net profit margin with the implication that increase in firm size (FSIZ) is predicted to be accompanies by increase in financial performance in terms of earnings per share (EPSH).

CONCLUSION AND RECOMMENDATIONS

This study concludes that there is a effect of pressure on discretionary accruals of DMBs in Nigeria. Fraud causes losses and cheating in financial statements is done intentionally by presenting and manipulating the value of material can mislead stakeholders in decision making for the company in the business world that reaches trillions of Naira. The study employs data from deposit money banks from 2019 to 2023 to analyse the effect of pressure

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on fraudulent financial reporting of quoted DMBs in Nigeria. The data were analysed using descriptive statistics, the hypotheses were tested using the multiple regression model. The study specifically finds that pressure positively relate to discretionary accruals of deposit money banks; examine the short term debt earnings per share which have positive effect on discretionary accruals and firm size is non significant on discretionary accruals. The findings support the positive accounting theory perspective.

The study makes the following recommendations for managers, shareholders and policymakers in the Nigerian context as follows:

1. Shareholders and managers should be effective in mitigating pressure, one of the elements in the fraud pentagon model, can help reduce the likelihood of fraudulent behavior within an organization. The study would be help to forensic accountants, Audit committees and fraud examiner's to understand the financial pressure signal which is embedded in the fraud pentagon model in identifying the remote cause of fraud concealment.
2. Managers should mitigate con tempted and establishing a system of checks and balances within the organization to deter and detect fraudulent activities. This can include segregating duties, conducting regular audits, implementing authorization processes, and ensuring proper documentation and record-keeping. Develop and enforce a comprehensive code of conduct that outlines expected behaviour, ethical standards, and consequences for violating these standards.
3. Managers should constantly monitor firms' accounting systems to mitigate capability, which is the ability to carry out fraudulent acts, which is crucial for preventing fraud. Establish and enforce robust internal control systems that include segregation of duties, regular monitoring, and oversight mechanisms.

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