The Role of a Corporate Governance Mechanism in Mitigating Fraud: A Case Study of The Nigerian Banking Industry

By

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Abstracts

This study examines the role of CG mechanism in mitigating fraud in the Nigerian banking industry. Its dual objectives focus on examining the effectiveness of the board of directors and audit committees in mitigating fraud in Nigerian banks. Agency theory, famous for outlining the conflict of interests between the principal and the agent in firms, serves as the conceptual framework due to its influence in the discussion of the CG framework. The study employed semi-structured interviews to collect data and adopted thematic analysis using NVivo software to identify the themes and sub-themes. The empirical findings showed that the boards and audit committees mitigate fraud in the banks by promoting good governance through oversight, accountability, transparency, and whistleblowing. On the audit committees' role in mitigating fraud, this study found that the committee uses its monitoring roles to enhance the quality of financial reports. It also ensures a robust process in the employment of external auditors, and strengthens internal safeguards such as internal controls, internal audits and risk management.. This study deepens the literature on CG by examining the board of directors and the audit committee's effectiveness using robust qualitative evidence. It also provides further recommendations on how to ensure the effectiveness of the CG mechanism in the Nigerian banking industry.

Declaration

As a registered University of Salford full-time research student for this PhD award, I have no interest in nor any award in sight from any higher learning institution within these years of this curriculum. Also, all articles, journals/ and publications by other authors adopted in this thesis have been duly cited, as required by the Ethics Committee. The originality of this research study is traceable to me.

Signature of Candidate/Date: **KCEgejuru** Date: 25/12/2023.

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List of Figures

List of Tables

List of abbreviations and meanings

AC- Audit Committee

ACB – African Continental Bank

ACFE – Association of Certified Fraud Examiner

ACH – Automated Clearing House

BAC – Board Audit Committee

BBDCO – Barclays Bank Dominion Colonial and Overseas

BBWA – Bank of British West Africa

BODs - Board of Directors

BOFIA – Bank and Other Financial Institutions Act

BOFID – Bank and Other Financial Institutions Decree

CBN – Central Bank of Nigeria

CDD – Customer Due Diligence

CEO – Chief Executive Officer

CG – Corporate Governance

CGF – Corporate Governance Framework

ED – Executive Director

FCA – Financial Conduct Authority

FSF – Financial Statement Fraud

IA – Internal Audit

ICON - Investment Company of Nigeria

ICU – Internal Control Unit

ID – Independent Directors

IMF – International Monetary Fund

KYB – Know Your Business

KYC – Know Your Customer

NACB - Nigerian Agricultural and Credit Bank

NBCI - Nigerian Bank for Commerce and Industry

NDIC – Nigerian Deposit Insurance Corporation

NIDB – Nigerian Industrial Development Bank

OECD – Organisation for Economic Co-operation and Development

PLC – Public Limited Company

ROI – Return on Investment

RM – Risk Management

SAP – Structural Adjustment Programme

SEC – Security and Exchange Commission

SFRM – Strategic Fraud Risk Management

SOX - Sarbanes-Oxley

TA – Thematic Analysis

Dedication

This thesis is solely dedicated to **Dr Ernest Ezeani** for his tireless efforts in guiding me to this level of academic success. May God bless, protect, guide, and shower him with wisdom more significant than that given to Biblical Solomon.

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Table Of Contents

Contents

CHAPTER ONE: INTRODUCTION

1.1 General Background

The history of corporate businesses has been associated with manipulations and fraud Costa and Wood Jr (2012); (Rashid et al. 2022). Extant literature shows that the implication has far-reaching effects on society. Abid and Ahmed (2014) argue that corporate fraud has become an evolving phenomenon within businesses. The growth of fraudulent acts led to investors' loss of trust and confidence with unimaginable costs that are difficult to equate (Gerged et al. 2022b; Gerged et al. 2022a; Girau et al. 2019; Hussainey et al. 2022). Some scholars consider fraud a complex issue and warn that its investigators should know its complexity (Grammatikos and Papanikolaou 2021; Kaur et al. 2022).

The Transparency International yearly index ranks Nigeria as one of the most corrupt countries in the world (Ajie and Wokekoro 2012; Harrison and Ryder 2016). Cited as an example is Cadbury (Nigeria) PLC, whose top management was the key culprit in fraudulent practices due to greed. These corporate entities' falsification of accounts posed challenges to corporate governance and its implementation. The corporate image of Akintola Williams Deloitte accounting firm was enmeshed in the same Cadbury scandal for complicity in covering up a vast accumulated loss between 2002 and 2006 of about N13.255bn. Lever Brothers (Nig) PLC was not exempted from scandalous fraud cases (Okaro[1] et al. 2013; Awosika 2023). There are high-profile Nigerian firms that are associated with similar corporate frauds and scandals, like the Cadbury Nigerian PLC accounting scandal of 2007, the Halliburton scandal of 2008, and the Siemens bribery scandals of 2009, which are a few recent examples of note (Adegbite, 2010; Okaro[1] et al., 2013). However, the Nigerian banks were the worst hit despite their opaqueness. Amongst the Nigerian banking industry, some identified fraud-related, financial, and structural abuses, including round-tripping funds, non-declaration of financial abuses, and abuse of deposits and investors' funds. The effects were colossal, leading to reputational damages on the Nigerian banking industry and the massive loss of deposits and shareholders' funds (Adegbite, 2010; Sanusi, 2010).

Indeed, scandals resulting from fraud, especially amongst banks in Nigeria, became pronounced and attracted the attention of global interests but, more directly, the Central Bank of Nigeria (CBN). Corporate governance issues resurfaced as the topic of the moment over its role, a strategy, system, route, or technique against corporate crimes. As the critical monetary regulator, the CBN is noted to have accurate information. In 2009, it announced that ten of the twenty-five commercial banks in Nigeria had fundamental corporate governance issues/challenges (Awosika 2021). Most scholars admitted that bank failures were related to corporate fraud, globalisation of trade, privatisation, integration, and mergers (Dinh & Calabrò, 2019; Quoc Trung, 2021, 2022; L. S. Sanusi, 2010). Others pointed out that the more significant percentage of the insiders who indulged in fraud and forgeries are those at the higher and top echelon of the management cadre in the banks (Owojori, Akintoye, & Adidu, 2011). More so, the asymmetric information used by these managers against the shareholders through the opportunistic adoption of earnings manipulations for their self-interests through poor financial reporting not only reduced and discouraged the investors' and other stakeholders' confidence and trust but led to catastrophic ends of the corporations identified (Ali 2020b; Bendickson et al. 2016a; Salem et al. 2021b; Awosika 2021)

Undoubtedly, the global financial fraud scandals did not isolate any country but also proved that ineffective or poorly executed corporate governance was in action. However, a surmised position adds that the essence of having good corporate governance in the banking industry is to achieve and support public trust and confidence. The erosion of public confidence and the need to mobilise funds, distribute credit, and stabilise this vital sector of the economy, as well as for payment and settlement and the implementation of monetary policies, were essential to stem the sliding tide (Paseda 2012a, 2012b; Bhasin 2015a).

The corporate governance framework is associated with principles of accountability, transparency, fairness, social responsibilities, boards' oversight on management and responsibilities, disclosure, social responsibility, respect and balancing of interests, independence, checks and balances (Allen 2005; Allen et al. 2005; Okike and Adegbite 2012; Tricker 2012; Adegbite 2015).

Furthermore, CG has been challenged on many academic fronts as a wake-up strategy for preserving business institutions, even within the context of the 'Modern Corporation' postulated by Berle & Means in 1932. More so, it explained corporate persons and entities within the business law framework and the realm of recognising legal ownership of shares (stocks) in corporations. Furthermore, other definitions that emanated explained CG as the election of company directors as representatives of the shareholders (by the shareholders) or even as the observance of governance in the direction and control of the corporate entities (Cadbury 1992; Mizruchi 2004; Ali 2020b). These writers adjudged these elemental prescriptions as recognising the governance responsibilities of the BODs and the vital role of the auditors. The acceptability of these elements by the Cadbury committee formed the bedrock of their definition, which is CG as that system by which companies are directed and controlled. Indeed, Other contributions advanced CG as a strategy to mitigate fraud (Shleifer and Vishny 1997; Paseda 2012b), whilst others view their definitions slightly differently.

Corporate scandals have drawn significant but critical consciousness towards an effective CG mechanism. This effectiveness is purposed towards monitoring, controlling, and directing organisations in addressing corporate frauds, whose impairment (harmful alterations) post deterrence and risks to shareholders and social stability. They did so by lamenting that some firms' structures could be more effective due to little encouragement to adopt an initiative-taking CG; hence, fraudulent activities thrive in weak corporate governance (Dechow et al. 1996b; Dechow et al. 1996a).

As part of the efforts to revitalise the economy after losing faith in the capital market due to fraudulent behaviours, some scholars exposed the effects of fraud through empirical evidence linking corporate governance and financial statement fraud (Salem et al. 2021a; Usman et al. 2023). Studies also argued that frauds are widespread, costly, and multifaceted but also have dire consequences on investment and depositing (Beasley 1996; Beasley et al. 2000; Dechow et al. 1996b; Kamarudin et al. 2014; Kamarudin et al. 2012)

Extant studies showed that corporate governance appeared as a response to many corporate abuses, such as frauds that led to scandals and crises witnessed from the 1980s to the 1990s. However, with varied established observations, consciousness, scrutiny, and worries over fraud cases, queries for the reasons for the adoption, practices, and dividends of corporate governance frameworks corporations seemed to develop. These issues resulted in worries about the efficacy of the CG framework as a strategy/system/mechanism to mitigate corporate crimes such as fraud, even with its ethical principles; these are presently being debated. Nevertheless, corporate governance within the banking industry has been identified as a global issue; hence, its significance is heightened. The reasons adduced were listed as the industry's strategic position in the life of a society and being tied to economies. Thus, it is assumed that corporate governance principles will ensure good governance and sustainable performance, reinforcing best CG practices that project transparency, disclosure of information, and accountability, among others. Indeed, recent corporate governance reforms have redefined the importance of effective monitoring (Nworji et al. 2011; Abid and Ahmed 2014; Vera-Munoz 2005; Kamarudin et al. 2014; Beasley 1996; Dechow et al. 1996b; Albitar 2015a; Ezeani et al. 2022b; Adegbite 2015).

1.2 Problem Statement (Study Rationale)

In 1992, the Cadbury report posited that Corporate governance is a mechanism/a system designed to direct and control corporate firms (Jones and Pollitt 2004; Dedman 2002). An effective CG is a mechanism that can deter economic, financial, and other corporate misconduct. Good governance ensures the alignment of managers' and owners' interests(Jensen and Meckling 1976). It can also motivate any nation's economic growth and development (Ffolkes-Goldson 2015; Scherer and Voegtlin 2020; Albitar 2015b).

This thesis examines the role of the board and audit committee members in mitigating fraud in Nigerian banking sector. Globally, there are concerns about fraud in banks due to its effects on the economy, shareholders, depositors, and society as a whole.

Nigerian banks are seen as institutions under the siege of fraud despite adopting a CG framework. A recent study by the Nigeria Interbank Settlement System in 2021 on fraud posited that within the first three quarters of 2020, 56% of fraud attempts were documented (Mamudu, 2021; Ugbe, 2021), whilst others admitted that robust governance mechanisms could effectively mitigate fraud/earnings management through the boards of directors and audit committees (Abid & Ahmed, 2014; Denis & McConnell, 2003; Florackis, 2005, 2008; Hussainey & Aljifri, 2012; Jia et al., 2009; Usman et al., 2022b; Usman et al., 2022a).

The growing number of top management indicted in these fraudulent acts (Onibudo 2007; Dike and Ene 2016) makes it necessary to examine how good corporate governance could mitigate fraud in the Nigerian banking sector (Awosika, 2021; (Okike and Turton 2009; Awosika 2023; Awosika 2021). Finance literature reports that incidences of fraud and its spiralled effects undermine stakeholders' trust. The steady increase in adverse impacts of fraudulent activities had been linked to loss of funds, reduction of corporate revenues, taxes to government, destruction/debasement of the institutional public image, loss of confidence and trust from investors and depositors. (Gerged et al. 2022b; Alqatan et al. 2019; Admati 2017; Bhasin 2013, 2015b, 2016b, 2015a; Akpan 2013). The consequences of poor corporate governance have led to immense crises and sudden closures of some banks in Nigeria.

Although previous studies have examined the impact of corporate governance in mitigating fraud in developed countries (Goldberg et al. 2016; Beasley 1996), little is known about the effectiveness of board and audit committees in developing countries. Many scholars have argued that due to increased fraudulent activities, examining the structural failures of the CG framework has become inevitable in identifying the weak links (Mallin 2016; Albitar 2015b, 2015a; Gerged et al. 2022b; Ezeani et al. 2023a; Paseda 2012b). Therefore, this study examines the role of CG in mitigating fraud in Nigeria's banking industry, this qualitative case study design adopts open-ended (semi-structured) interviews to gather data for this thesis. This approach is significant because it ensures deeper insight into issues relating to the effectiveness of the board and audit committee efforts to mitigate bank fraud.

1.3 Research Aim and Objectives

This study examines the role of a corporate governance mechanism in mitigating fraud in Nigerian banks.

The broad objectives that this research sets out to achieve include:

- To examine the board of directors' effectiveness in mitigating fraud in the Nigerian banking industry
- To examine the effectiveness of the audit committees in mitigating fraud in the Nigerian banking industry

1.4 Research Significance and Study Motivation

Previous studies examined the impact of corporate governance on fraudulent behaviour in both developing countries (Salem et al. 2021b; Gerged et al. 2023; Usman et al. 2022b). However, most studies focused on earnings management and used quantitative research approaches to examine corporate fraud relating to financial statements. Therefore, they applied quantitative methods that do not provide much depth of understanding of fraud incidences. Unlike previous studies, this study adopts a qualitative research approach to provide robust explanations of issues affecting fraud in Nigeria's banking sector. Given the importance of fraud-related issues, it is important to obtain an in-depth understanding of the role of the CG mechanism, specifically the BODs and AC, in combating fraud in the Nigerian banking industry.

Furthermore, the dearth of studies has a direct link to the absence of legislation on fraud because the empirical research not only acts as a springboard with an ability to expose and clarify understandings of the dangers and the negative impact of fraud on banks' performances in Nigeria (Makinde 2021; Lawal 2019; Olalekan Yusuf and Rasheed Babalola 2009). This research is significant because it focuses on gaining information from bank directors on issues directly linked to issues that influence fraud in the banking sector.

Agency issues have been identified as the causes of corporate crises, scandals, and demises of corporations (Jensen and Meckling 1979; Jensen 1986). Since banking is built on the principle of trust and confidence due to its fiduciary and opaque nature, it is important to minimise agency conflict through good governance (Bolodeoku 2006). Particularly, previous studies have identified Nigeria's banking environment as 'corrupt' (Ochulor, 2011b; Ofoche, 2012; Fagbadebo, 2007; Philip & Akangbe, 2013; Ojo, 2014). Therefore, the study aims at improving transparency and reducing fraud in the banking sector. One key motivation is to identify ways of strengthening the monitoring role of board and audit committee members to ensure effective fraud mitigation. Strengthening good governance in individual financial institutions would enhance the effectiveness of board monitoring and control of the management (Adegbite, 2015; Tricker & Ian, 2015; Okike et al., 2012; Adegbite, 2010; Nakpodia, 2018).

This study, in tandem with several Afro-centric scholars (Adegbite 2015; Nakpodia et al. 2018; Nworji et al. 2011; Osemeke and Adegbite 2016; Nakpodia and Adegbite 2018) opt for the re-examination of ways of strengthening corporate governance of Nigerian firms.

1.5 Contribution to Knowledge

This study advances CG literature by providing qualitative evidence on the responsibilities of the board of directors (BODs) and the audit committees (AC) in mitigating fraud. It highlights the need to strengthen the capacities of the BODs and AC to mitigate fraud in the Nigerian banking industry. Despite volumes of literature that discuss fraud in banks, this study uses a qualitative evidence obtained by interviewing directors to improve the effectiveness of the board and the audit committees in Nigerian banks in order to mitigating fraud. The research findings will not only complement past literature but will also highlight factors affecting the effectiveness of bank directors and will suggest more ways to mitigate fraud in Nigeria, a developing country

Furthermore, the thesis adds to a more general debate relating to the application of good governance against fraud in the banking industry with the adoption of agency theory as its theoretical guides. Its finding constitute a remarkable stride in improving the corporate governance framework and internal macro and micro-mechanisms of the bank against/in mitigating fraud. The evidence uncoverd by this research would encourage banks to establish robust mechanisms that mitigate managerial opportunism and self-serving behaviour.

By adopting interpretivists' epistemology, this paradigm helps uncover rich evidence on the role of directors in mitigating fraud. Unlike earlier studies that employ a quantitative approach, the study uses qualitative case study semi-structured interviews to examine how the board and audit committee members mitigate fraud in the industry. It separates the board's role from the audit committee members to decide how their participation in the recruitment and supervision of auditors, monitoring internal control, risk management, internal audit, and the overall role in the financial reporting process to mitigate fraud. This qualitative case study design based on socio-constructivism/or interpretivism is all-embracing, which encourages a broader spectrum for the exploration of various phenomena and social contexts that revolve around the research scope.

The study aids this researcher in gaining in-depth knowledge and understanding of one of the fundamental issues faced by banks in Nigeria. It also aids in developing ways to tackle fraud by exposing the level of corporate governance application and the effectiveness of the board and its audit committee in the banks.

1.6 Policy Implications of the Thesis

In varied dispositions, this study will encourage the policymakers in their on-going effort to support the establishment of an outside body to constantly review the activities or responsibilities of the board as ways to gauge their effectiveness towards mitigating fraud in the banks. Another potential implication of the findings is that it would help regulators towards addressing challenges linked to CG and the quality of financial reports. Hence acts to enhance the communication contribution to accounting oversights between the auditors and the BODs. Our study has implication on banks and helps them to strengthen their board and audit committee composition, independence and expertise in order to reduce fraudulent behaviours.

Also, our result will enable the decision makers and regulators to design policies mandating the continuous education of the board, making effective decisions to forge much closer unity, effective communication between the BODs and ACs, as well as the utilization of the CG practices in every aspects of the bank operations.

1.7 Overview of Methodology

This part of the research relates to this study and explains the strategy and rationale for its methodological approach. There are varied strategies for gathering data for this design. This study adopted constructivists ontology and interpretivists epistemology as its research philosophy. In line with its epistemological underpinning, survey questionnaire and semi-structured interviews was used examine the role of the board of directors (BODs) and the audit committee (ACs) of the banks in Nigeria in mitigating fraud. The study data was collected online using the Microsoft Form.

Before the interview, the researcher sent the interview documents comprising the introductory letter, consent form, withdrawal form, and other supporting documents to be forwarded to prospective participants seeking for them to take part while assuring them of confidentiality.

Also, the semi-structured interview was conducted in a virtual environment. The participants were allowed to choose either a particular virtual platform for the meeting (Microsoft Teams, Zoom and Google Meet) to ensure their convenience throughout the interview process. The raw data collected was transcribed and analysed using thematic analysis of NVivo software.

1.8 Thesis Structure

The second chapter deals with its introduction and the emergence of the Nigerian banking industry, which will be followed by the remarkable three stages/phases that explain the growth of the banking institution in Nigeria. Effectively followed were the role of the banks in the Nigerian economy and fraud, showing the sudden rise of fraudulent activities in Nigerian banks.

Chapter three exposes the literature related to the study, examining the issues and challenges of fraud in Nigerian banks, its mitigation, and the empirical evidence linking fraud with CG.

More so, this chapter exposes CG and related theories, such as the agency and stakeholder theories.

Chapter four deals with the Methodology of the study, which explains the roadmap adopted towards achieving the aims of this exploratory qualitative case study. Data gathering would be used as the backbone to set up and support the study through sampling, survey questionnaires, and semi-structured interviews. More so, it would adopt the application of deductive reasoning with the approaches of constructivists and interpretivists whilst using indicative analysis and findings to explain the data collected and discuss it in chapter five.

Chapter Five discusses the data analysis based on examining the Board of Directors' effectiveness in mitigating fraud in the Nigerian banking industry and identifying findings from the semi-structured interviews that generated data.

Also, chapter Six discusses the analysis of the data collected by examining the Audit Committees' effectiveness in mitigating fraud in the Nigerian banking industry and identifying findings from the semi-structured interviews that generated data.

Chapter Seven is the conclusion and recommendation, summarising critical findings on the Board of Directors and fraud mitigation, the Audit Committee and fraud mitigation, the study's limitations, future recommendations, and finally, the Conclusion.

CHAPTER TWO: INSTITUTIONAL BACKGROUND

2.1 Introduction

The United Nations Food and Population Agency (UNFPA), in its 2022 data, estimated Nigeria's population to be about two hundred and seventeen million (217,000,000) people. The description of Nigeria as Africa's most populous nation and her biggest business hub has never been in contention; hence, the nation has been adjudged as an eighth producer of the oil in highest quantity and in reserve globally, coupled with a teeming majority of hyper-active and creative youths (Coleman 2022). Presently, fundamental issues from bad governance traceable to leadership ineptitude, corruption, and fraud, coupled with questionable tranquillity, create tensions within her structures in the 21st Century (Madichie, 2005; Ochulor, 2011b).

Some scholars argued that corruption, fraud, and security issues are endemic catastrophes that have polarised Nigeria's serenity, clogging her developmental wheels of progress. They dismally posited Nigeria's economy as idled and bedevilled with mismanagement, corruption/frauds, poor governance, poor incentives, weak accountability, and officials with extensive powers, amongst others (Falola & Heaton, 2008; Philip & Akangbe, 2013). These scholars echoed that infrastructural development is in decay and has vegetated, with over 90% of citizens crippled by poverty, unemployment, corruption, and other socio-economic problems (Falola & Heaton, 2008; Madichie, 2005; Ochulor, 2011a, 2011b; Philip & Akangbe, 2013). Further deduction posited that third-world nations such as Nigeria adopt ideas of their former colonial heads by copying into an already weak institutional environment (Osemeke & Adegbite, 2016; Osemeke et al., 2016).

In this chapter, the emergence of formal banking into the confluence of 'Nigeria' will be discussed, as this study will conduct a detailed exploration of the growth and challenges the industry passed through to reach this stage. The stages are the pre-independence era, post-independence era, and post-banking consolidation. Furthermore, the role of banking in the nation's economy will be analysed. More so, an in-depth exposure of the criminality of fraud that besets the industry will be availed, together with a discussion of why it has refused to abate, those behind it in the banks and outside, its effects, and a way forward to mitigate it.

2.2 The Emergence of the Nigerian Banking Industry

It posited that Africa was referred to as the 'Dark Continent' by European adventurers and traders and further seen as 'a no-man's land' and as a land that belongs to all. Furthermore, 'Nigeria' created the British colonial heads via the amalgamation of the North and South of Nigeria in 1914, which also introduced formal banking in the land (Uche 1997). Furthermore, it acknowledged that before the advent of the colonialists to Africa, trade by barter had existence as the customary transitionary approach before trading in coins was introduced by the British for the conduct of business (Oliver & Mpinganjira, 2011; Rowan, 1952; Uche, 1997). Indeed, barter was the acceptable economic cum financial system of transaction of the locals in conjunction with communal cooperative societies. However, it posited that the arrival of the British changed the entire economic dynamics by introducing a new monetary system imported from Europe (Rowan 1952). The goal for the evolution of the European model of banking in Nigeria was to serve the needs of colonial masters in areas of finance and commerce (Oluduro 2015).

This thesis classifies these periods into eras, such as the pre-colonial and colonial eras of banking in Nigeria (represented by the transition from indigenous to modern banking upon the advent of colonialism). These three periods are based on the structure of this work by this researcher. Closely following the above era was the period of Nigeria's independence on October 1, 1960, which this work referred to as The Post-Independence Era of Banking in Nigeria, whilst the present phase is tagged as The Post-Bank Consolidation Period in Nigeria. However, adding corporate governance, accounting, and auditing into these segmentations or evolutionary trends will aid this exploratory study in understanding multiple forces whose diverse interests have shaped banking developments in present-day Nigeria.

2.2.1 Pre-Independence Era of Banking in Nigeria

In this contemporary era, conflicting dates have appeared on the exact period Western-styled banking started in Nigeria, as information is still shrouded with contentious arguments by different authors. Some chronicled the evolution of Nigeria's first colonial banking and fiscal system between 1892 and 1894 when the Bank of British West Africa (BBWA) appeared (T. Ajayi & Sosan, 2013). 1890 was listed as when the African Banking Corporation was set up (Orbell 2001); some posited 1892 (I. Adeleye, Iheanachor, Ogbechie, & Ngwu, 2015), while others denoted 1894 as the emergence of the BBWA (I. Adeleye, 2013), whilst Kuforuji (2020) recorded 1892 for the African Banking Corporation as the first colonial bank. Furthermore, it was asserted that commercial banking in Nigeria began in 1891 when the African Banking Corporation (ABC) appeared but was bought by the BBWA in 1894 (C. Uche, 2010).

However, quasi-banking operations started under the Elder Dempster Merchants in 1893, who bought a Trust Fund through the BBWA and later bought ABC in 1894 (Oluduro 2015). Nevertheless, the 1976 accounts of The London Metropolitan Archives and Fry using Standard Chartered Bank collections upheld that the BBWA was registered in 1894. However, it chronicled the bank's existence in 1891 as a British bank in West Africa before its formal registration. These documents confirmed that it came under the control of the African Banking Corporation and The Elder Dempster and Company from 1893 as the Bank of British West Africa, even as it was asserted that the ABC opened in 1891 and the BBWA in 1892 (Rowan 1952). Another essential landmark came with the introductions of the Barclays Bank (Dominion, Colonial and Overseas) and the British and French Bank for Commerce and Industry on the Nigeria banking horizon. More so, the British and French Bank for Commerce and Industry appeared in 1948. Scholars posited that in 1917 the Colonial Bank merged with

Barclays Bank, thereby assuming a new name as the Barclays Bank DCO (Dominion, Colonial and Overseas) In 1925. In 2020, The Barclays Bank Archival Source recorded that its operating power came from a 1916 Act of Parliament, which changed Nigeria's banking landscape in 1916 with the establishment of the Colonial Bank. The papers acknowledged the merger, which produced the Barclays Bank DCO conglomerate (Drach, 2020; Oluduro, 2015; C. Uche, 2010).

While examining the drive to introduce foreign banks into the Nigerian colony, it was argued that it was the link between the African and foreign savers. In addition, it was a new source of credit that would challenge diverse sources of capital. The paper argued that more was needed to promote competition in trading. The foreigners dominated and dictated trading with their currencies, leaving the locals at their mercy (Uche 1999). Rowan (1952) adduced factors that Nigeria was, both in politics and economics, a dependent territory under Britain. Hence, foreign-owned banks were more favoured by the colonial government and its institutions.

However, this thesis argues that the practice of formal banking procedures during this evolutionary period in the colonial era of Nigeria was due to the influence of trading. Trading started before the domination of African lands; hence, it became the vehicle to spur the drive for new colonies as an overriding factor in imperialism. Trading, which was either one-man or family businesses, was used to buy banking licences as the depot of the traders. Examples were the significant banking interests owned and controlled by Elder Dempster and Company - a trading merchant (Howard, 1978; Oluduro, 2015; Rowan, 1952; C. Uche, 2010; C. U. Uche, 1997, 1999). This thesis opines in the nucleus that there was no convincing evidence of a functional corporate governance framework during the Victorian era compared to today because the era's corporate attitudes were not streamlined and harmonised. It was asserted that British company law and common-law principles were overseen in a laissez-faire manner during this period under the legal environment (Campbell & Turner, 2011).

1914 was a period of a turning point for banking in Nigeria. Rowan (1952) and Oluduro (2015) admitted that indigenous banking enterprises were encouraged to exist and compete with foreign-owned banks. The Nigerian-owned banks appeared out of patriotism during this turbulent period. However, they were riddled with mismanagement and fraud, amongst other issues, which caused them to be eclipsed before independence in 1960. Uche (2010) alluded that Nigeria was the only confluence under Britain with an indigenous banking system during the pre-independence era of the British African colonies. These newly allowed, locally owned banks ran alongside colonial banks, creating a dangerous dichotomy within the economic system of the colonial powers due to a no-level-playing field policy.

The colonial authority played the card of favouritism, which showed that foreign banks were encouraged to grow more than the indigenous banks. Collaborating these facts, Rowan (1952) and Oluduro (2015) distinguished commercially operated banks in Nigeria as Foreign/expatriate and Indigenous/Nigerian-owned banks. However, they admitted that the competition was imbalanced as foreign-owned banks always had an edge in preference over Nigerian-owned banks in several roles, such as finance and branch networks.

In 1929, the Industrial and Commercial Bank of Nigeria emerged as the first local bank (Ajayi & Sosan, 2013; Uche, 2010) but was countered by Oluduro (2015) who testified that 1914 was the birth date of the ICB, which later collapsed in 1936, while Uche (2010) attested that 1930 was its year of demise. In 1933, the National Bank appeared but failed to survive the turbulence of that period as it could not meet the requirements of the Colonial Banking Ordinance in 1952; hence, the Western Region bought it. The Nigerian Mercantile Bank was set up in 1931 as the second indigenous bank but failed five years later. In 1949, Dr Nnamdi Azikiwe set up the African Continental Bank (ACB), but Uche (2010) and Oluduro (2015) posited the bank's emergence to be in 1947. Equally important was the formation of the Nigerian Farmers and Commercial Bank (NFCB) and the ICB.

1947 was a crucial year in the Nigerian banking industry, with a near-form corporate governance framework introduced. This is alluded to what a paper admitted as issues of poor governance from weak corporate structures, which has been the bane/the weak point of corporations in advanced and developing nations, even as it found corruption peculiar to Nigeria. Uche (1997, 1999 and 2010) showed that the invitation of Mr G. D. Paton (consultant with the Bank of England) and his committee by the colonial government attests to the fact that colonial officials in London showed inherent shortcomings such as weak structure, fraudulent activities, ownership and control issues and poor internal compliance/controls, amongst other factors, to be existing in the emerging corporations, and whose challenges mitigate their growth.

In examining this pre-independence era on the complex role of regulation, control and politics during Nigeria’s banking developments, this scholar (Uche 1997) admitted that the banks in Nigeria were overtly the political instruments of the colonial masters in the region of policy formulation. The paper adduced that special attention placed on the regulatory policies aided in shaping the structure and formation of the industry’s laws and regulations but further pointed out that neither the public good theory nor the captured theory have explained the basis for banking regulation during this era if not as protective tools for the British banks.

Identification challenges mitigating the Nigerian colonial banks strengthened the colonial officials and London who instituted Mr Paton's Committee, designating powers to investigate varied issues about the banking crisis. The banking crisis exposed indigenous banks' sudden failures of their structures and banking practices without regulations. Furthermore, Uche (1997, 1999 and 2010) alluded that extensive supervisory examination was conducted over the entire general banking business in Nigeria, and later recommendations towards having a healthy banking industry were expected to appear. Indeed, this was a prelude to the 1952 Banking Ordinance in this colony.

On the emergence of the Ordinance of 1952, Uche (2010) deduced that a recognisable effect from the fallout of Mr Paton's recommendations was the registration boom that led to the registration of seventeen indigenous banks. However, fraud, mismanagement, and poor capitalisation led to their collapse, whilst the British government encouraged the colonial banks to become stronger by merging them, which created a monopoly (Uche 1997). Other scholars (Adegbie and Fofah 2016) alluded by tracing to the discovery that structural abuses of the code led to non-compliance with good governance, which affected the quality of reporting and caused the demise of the banks from this pre-independence era to this day. Hence, the study examines the role of International Financial Reporting Standards when matched with the ethics, CG and the financial reporting practices. Exploring the trajectory of the rise of modern banking in Nigeria, (Njoku 2019) argued that in this era under examination, the confluence called ‘Nigeria’ could not be identified as having a financial system like rudimentary banking practices. This led to many catastrophic setbacks tied to practice failures that led to distress related to statutory regulations.

The equations seen in today's corporation issues on governance mechanisms and the crux of agency theory are adequate to use in reflecting on the past that the Banking Ordinance of 1952 co-relates as a regulatory framework of the corporate governance framework. Asogwa (2016) argued that banks adhering to the CG code of the advanced and emerging markets for good governance enhanced organisational performance whilst enlarging the investors' wealth.

As designed by London, Mr Paton's Committee recommendations were expected to aid in the realignment, harmonisation, and strengthening of control mechanisms. Uche (1997) opined that Paton's report led to the 1952 Ordinance Law of the colonial regime, whose perspective was anchored on Eurocentrism. Empirical studies showed that the Ordinance Law passed by the colonial government in 1952 introduced the legal requirement for forming and operating banks in Nigeria. It showed that the supervisory and regulatory powers of the ordinance conferred on the Colonial Financial Secretary were designed to produce good governance but were enmeshed with disagreements from the Nigerian nationalists (S. Ajayi, 1999; Rowan, 1952). The Nigerian nationalists felt they were alienated from the economic participation of their country due to discriminatory policies set up by the colonialists.

Nevertheless, Uche (1997) alluded that before the enactment of the 1952 law relating to the Banking Ordinance, Nigerians who predicted a clampdown of their banks due to the establishment of the Paton inquiry soon started opening about 17 new banks before the regulation came into effect. These banks, the paper catalogued, were described as 'wild cat' or 'mushroom banks' bedevilled with poor capitalisation, rapid expansions and incompetent/bad management, frauds by the directors, poor remittances, and lack of accounting and banking experiences.

However, due to the higher risks and challenges faced by indigenous banks compared to foreign banks, about twenty-one out of twenty-seven local banks collapsed. Other challenges that militated the growth of the indigenous banks include a lack of reserves (Framework), lack of skilled executives with long experiences in the banking terrain, fraud by the executives and directors, receipt of a small volume of deposits, relatively risky undertakers, corruption, mismanagement, accounting incompetence, non-remittance of funds, embezzlement, neglect and non-cooperation from the colonial banks, amongst other issues (Adeoye, 2019; Ajayi & Sosan, 2013; Uche, 1997).

Furthermore, Uche (1997) posits a counterargument that the enactment of the 1952 Banking Ordinance led to mass failures of indigenous banks because depositors closed their accounts due to the three-year deadline of the Ordinance conditions to the banks' pay up and ply the trade, or face liquidation. This was against the Bank of England's argument that failures of

Indigenous banks were due to failing to meet the requirements of the banking legislations, and the Financial Secretary should have taken full positive action.

Adeoye (2019) defined the 1892 to 1951 era as free banking (laissez-faire banking) because there were no rules or guideline-controlled banking activities in Nigeria. He pointed out that, though the 1952 Ordinance was accepted as a landmark advancement towards a sound banking structure, it had its defects. These include factors such as no provision to aid needy banks; banks refused to transact cash for reasons to be liquid – as economic waste; provided no level-playing fields between foreign and Indigenous-owned banks - foreign banks were more favoured and richer; use of bank examiners was unsuccessful due to window-dressing techniques; laws prevented under-capitalised (indigenous) banks from becoming established and could not stop malpractices and abuses.

However, Oluduro (2015) showed that the nationalists' agitations culminated in the enactment of the 1958 Central Bank of Nigeria (CBN) Acts that consummated with the setting up an apex bank in 1959. The CBN was structured after the Bank of England, with roles and functions like those of the Apex Bank in Nigeria. In contrast, the African Continental Bank (ACB), WEMA Bank (formally the Agbonmagbe Bank) and the National Bank of Nigeria were the flourishing indigenous banks from 1950 to the 1980s.

2.2.2 Post-Independence Era of Banking in Nigeria

October 1, 1960, heralded a politically independent Nigeria whose banking sector was controlled by the British Banks in Nigeria. From 1958 to the middle of the 1970s, there needed to be more banks, and the industry needed to be in order. Adeoye (2019) traced 1952 to 1986 as the period to be identified as the era of banking regulations in Nigeria because it showed changes in the economic situation. The paper posited that the rise of the indigenous banks was seen as a reaction a reaction against discrimination by the locals against foreign banks attitude to them.

However, between 1960 and the mid-1970s, foreign-owned banks dominated the industry because minimal attention was paid to them by the government due to the prosecution of the civil war, which led to poor regulations. Undoubtedly, the restrictive foreign ownership affected businesses in Nigeria, including banks, through CG (Ogbamosa 2018). In most cases, the standard of corporate governance principles was either lowered or ignored because of the critical attention to the political conflict ravaging the nation. The effect of this ill-attention to the banking industry led to corporate failures due to the inexistence of robust CG. This paper attributed the failures of this industry to poor CG (Elias 2016).

In retrospect, Ajayi (1999) argued that, though the 1952 banking Ordinance helped to regulate the sector and encouraged the formation of many indigenous banks, mismanagement, undercapitalisation, imbroglio between the shareholders and the management, frauds, and Indiscipline were among some reasons for the demise of many banks. In addition, the need for publicly traded banks to be seriously scrutinised by regulators because of their opacity was clear. More so, banks' certain assets, loans, and trading assets are uncertain, which makes the risks either hard to see or easy to change. These increase and encourage agency problems (Haggard & Howe, 2007).

However, in categorising Nigeria's banking system, Oluduro (2015) showed that between 1952 and 1985, banks sprung up in Nigeria in classified areas of need such as a merchant, development, industrial, commerce and agricultural. These included institutions known explicitly as the Nigerian Industrial Development Bank (NIDB), Nigerian Bank for Commerce and Industry (NBCI), Nigerian Agricultural and Credit Bank (NACB), Investment Company of Nigeria (ICON), Merchant Bank Limited (formally Nigeria Acceptances Limited and Philips

Hill Nigeria Limited) amongst others. The author posited that between 1970 and 1980, Nigeria was hosting about 29 commercial banks alone. Ajayi (1999) noted that since the formation of the CBN in 1958, the apex bank has been enhanced by executing supervisory authority and control of the banks. Some of these measures came through the Act of 1958, designed to stop the collapse of banks and the removal of deficiencies. Equally, CBN was also empowered to aid the growth and promote the financial zone's domestic currencies and capital markets, having instruments towards licencing and withdrawal of same from banks, amongst others.

Adeoye (2019) argued that banking licences fall differently in five generational classes, such as banks licenced before independence as 1st generation banks; banks licenced between 1960 and 1980 as 2nd generation; those between 1980 and 1991 as 3rd generation; banks with licences from 1998 to 2005 as 4th generation, whilst the 5th generation-classed banks were licenced from 2005 to date (post-consolidation era) by the CBN. Ajayi (1999) saw the strengthening of the apex bank's regulatory powers come in diverse ways. The 1991 promulgation of the CBN Decree 24 and the Banking and Other Financial Institutions Decree (BOFID) were identifiable milestones that boosted the CBN's primary roles, duties, and authority towards executing its primary functions. Okoye et al. (2016) found the three essential guidelines relating to the regulation of CG in the Nigerian banking industry as the Security and Exchange CG (2003), Code of CG for Banks by the CBN, and The CBN Prudential Guideline (2010) aided in the strengthening of banks CG.

Ogundele et al. (2016) posited that a critical fiscal restructuring occurred in the country by the mid-1970s when nationalisation policy was introduced as the British Barclays Bank was nationalised, it continued operations as Barclays Bank of Nigeria until it wound up in 1979 and became the Union Bank of Nigeria. Barclays' Archive (2020) showed that, by 1971, FGN bought about 40% stakes in it but Increased the stakes to 60% by 1976, and by 1979, the bank sold its remaining 20% to Nigerians. The significance of the 1970s oil boom and the nationalisation of these multinational entities in Nigeria was that it exposed the public and private sectors to unimaginable levels of fraud, inefficiency, bribery, corruption and mismanagement (Biersteker 2014; Decker 2005).

However, Adeoye (2019) admitted that banks later improved by mobilising resources but cautioned that urgent steps should be taken to regulate banks by preventive and protective methods. These will aid banks to keep their soundness/health, deal with money, have the power to create money and cause inflation, deal with depositors' funds, channel funds from the savings to the deficits, prevent banks from forming cartels, and keep public confidence and trust. Indeed, it was alluded that the critical reason for regulating banks is to forestall bank failures (Okpara 2009). Between 1961 and 1969, CBN conducted a series of amendments to strengthen the banking industry, increasing its hold over banks. However, the face of banking changed with the systematic removal of controls seen as injurious to its operations, and this was traced after the Structural Adjustment Programme (SAP) emergence in 1986 (Adeoye 2019). The emergence of institutional factors became a dominant factor affecting banks in Nigeria. Okpara (2009) argued that fraud activities due to mismanagement and inadequate supervision are causes of bank failures.

On the assessment of factors leading to the severity of distress, Okpara (2009) found economic depression, political crises/instability, poor credit, and undue interference from boards of directors as leading causes but surmised that insiders' abuse, weak corporate governance, weak risk asset management and inadequacy of capital are the crux of Nigerian banks' distress. In examining the impact of board characteristics on bank-based economies, they listed in their investigations to include boards' attributes such as (board) size, gender diversity, tenure, independence, CEO duality, and meetings. These can be identified with firms' capital structures in a particular CG setting. Emerging proof linked most global corporate frauds to structural failures of organisations, which brings to question CG internal mechanisms (Usman, Nwachukwu, et al., 2022a).

Jia et al. (2009) posited that the identification and effects of frauds had encouraged advanced ways, perspectives, and methods to prevent criminality, thereby increasing stakeholders' confidence and trust in capital markets, including banks. While admitting that the effective system of controlling and directing of firms by good governance is by CG, this paper blamed corporate ills for the failure of CG in the collapsed firms (Okoye et al., 2016).

2.2.3 Post-Bank Consolidation Period in Nigeria

Njoku (2019) posited that banking failures culminated in reforms such as the consolidation of 2005, which was designed to make banks sound, stable, and stronger with robust asset base fit enough to drive investments, unlock critical areas of the economy, capable of taking pressures and challenges, and able to compete in the global market. These formed the basis of the significant and visionary note the CBN Governor exposed for Nigeria's banking consolidation in 2004 during the Bankers' Committee forum on the need to reform the system. The areas linked to the planned restructuring centred around the sizes and numbers of banks, ownership designs, profitability, and competitiveness. The apex bank in Nigeria redefined the banking industry consolidation as a deliberate policy measure to grow this industry's capital base to be safe, practical, and sound, with better implementation of CG (Dogarawa 2011; Obienusi and Obienusi 2015; Agwu et al. 2014).

From advanced perspectives, scholars (Gerged et al. 2022b; Albitar et al. 2023b; Hussainey et al. 2022) acknowledged that reforms in firms increase the chances of corporate governance being effective, enhance the industry’s competitive ability in the global market, increase turnovers/profitability chances, impact ownership structure, positively impact board size, raise operational and technical efficiency, and aid in cost-cutting. Furthermore, these studies emphasised that corporate managers and the administrators of corporate governance gained to aid in the setting up of competent and robust boards that would drive the corporations effectively. The overall effect will lead to better corporate governance quality, enhancing the financial reporting levels and encouraging and informing the decision makers and the regulators on taking actionable strategies.

Also, consolidation was expected to aid the banks to expand beyond the shores of Nigeria and secure the confidence of international investors and higher credit ratings from foreign financial institutions. Nigerian banks would also receive help from the consolidation by being stable and workable and having a solid asset base that can compete favourably with foreign banks. This 2004-2005 banking consolidation is unique in many areas, even as it changed Nigeria's banking landscape and financial sector (Bello 2005; Ezeoha 2011; Ojukwu-Ogba 2009). Another contributory factor that aided in engineering the safety and growth of all registered corporations in Nigeria was the initiatives of the Securities and Exchange Commission (SEC) in 2003 by releasing the first code of CG, wherefore the apex bank- the CBN- during the post-consolidation released their CG codes, specifically for the Nigerian banking industry which was to encourage good governance (Awosika 2021). Indeed, this was evidence proving that the Nigerian banking industry (system) has passed through a reformatory stage after the completion of the CBN consolidation exercise in 2005, during which different stress tests were conducted to find their compliance level with CG to be considered healthy (Abdul-Qadir & Kwanbo, 2012).

Corporate governance, accounting, and auditing practices during this pre-independence era led to the exposure of abuse and neglect, which created dire situations for banking institutions. Evidence from extant studies (Adegbie and Fofah 2016; Ajao et al. 2016; Oni 2017) asserted that financial distress that befell the banking industry in the recent past could be traced to the pre-independence era were due to two key factors, namely if the relevant codes are not complied with and if there is maladministration of CG framework. The resultant effects were the emergence of poor quality and unreliable financial reports embedded with earnings management, even as the ethics irregularities compounded issues, thereby reducing the quality of the bank's financial reports. These unethically prepared documents put them at variance and in collision with IFRS quality (International Financial Reporting Standards). Another identified position was that the industry regulators (Nigerian Regulatory Authority) needed to strengthen their compliance duties and could do nothing to mitigate these laxities. The effect was the emergence of The Financial Reporting Council of Nigeria in 2011 through Act No. 6. In 2012, the nation adopted the IFRS procedures and processes with the framework. These embrace the Nigerian-designed applicable accounting laws, regulations, rules and standards, enforcing banks to adopt IFRS and adopting and applying the CG ethics/principles in the banks.

Furthermore, these scholars admitted that Nigerian accounting principles cannot be divorced from British accounting principles. This is because Nigerian accountants were trained in Britain, hence the history of accounting/auditing. However, they noted that accounting has evolved in both countries by shifting from detecting fraud to satisfying the principle that the agent produced the actual financial statement. Since these cannot be completely satisfied, the auditors currently use the skills and care to endorse financial statements (Ajao et al. 2016).

Globally, banks are faced with transformation for stability. The stress tests and confirmation of the twelve banks considered healthy was a prompt signal to reinvigorate and stabilise the system for credibility and comfort for all its stakeholders, including the international community. Abdul-Qadir & Kwanbo (2012) asserted that the impact of this consolidation exercise was positive on the dispersed equity on profitability, even as it called for the need to strengthen managerial policies to improve operational and financial performance. These are spurred by technology, deregulation, and changes in corporate behaviour. Admittedly, consolidations have enhanced banks' capital base to support the clientele's capital market services. It has also aided in resolving external financial challenges (Allen et al., 2001; Allen N Berger et al., 2001).

In addition, it has been argued that fundamental developments leading to the state-owned banks and/or domestic banks being merged or privatised, or/ and and the foreign banks to enter the same market could lead to transformations. In recent years, these fundamental forces for change have played critical roles in the banking industry of emerging economies by affecting their structures, as listed above (Hawkins & Mihaljek, 2001).

Undoubtedly, the evidence has significantly underscored the nature of competitiveness within the industry, where big banks with significant asset bases, higher profits, and more deposit bases dominate other banks. It upheld mergers and acquisitions as cardinal pillars, laying the foundation for more robust and practical banks, deregulating financial services, technological innovations, greater emphasis on shareholders' values, increased intermediation, international competition, and privatisation (Guluma 2021). By these measures, the emerging banks will be financially robust, with better clarity on the implementation of CG principles; they will gain cooperation with foreign banks and run reduced costs and risks, whilst opportunities will be created for intermediation and diversification (Hawkins & Mihaljek, 2001; Bello, 2005).

In reflection, Nigerian banks are run by offering wholesale and retail services by developing banking products. Wholesale banking deals with multinational corporations and financial institutions, while retail banking deals with fewer groups and individuals. This may help to investigate the impact of CG on reducing fraud in wholesale and retail banking services. This position was endorsed, and an effective CG could reduce creative accounting and fraud.

Adding to this reflection on the Sarbanes-Oxley Act of 2002, as endorsed by the US Congress in response to corporate frauds and scandals, it was shown that it ensued towards enhancement of confidence restoration and encouraging standard compliances against temptations of financial impropriety (da Costa 2017). Some listed external influences or pressures tend to influence opportunist managers in 'cooking the books' as active shareholders, financial securities analysts, and the market for corporate control (Shi et al., 2017).

Factors such as insolvency in banks, excessively high interest, and high rates of inflation were pointed as causes, whilst the deficient performance of the financial sector has been traced to wrong sequencing processes (Ikhide & Alawode, 2001). Corruption, political instability, bad governance, and legitimacy crises as issues that retard national development and create uncertainties in the state, were counted as issues that lead to loss of faith. This caused banking's good governance, transparency, disclosure, reporting and accountability to be questioned. (Fagbadebo 2007)

With the deregulation of interest rates in 1987 as part of Nigeria's financial reforms, Ikhide and Alawode (2001) argued that an extensive policy measure has established a capital market, charmed new bank reforms, and an ambitious move to control money indirectly. Bello (2005) suggests that the effects of deregulation, technological innovations, and globalisation took their toll on the Nigerian banking industry even when global banking was evolving.

The consolidation of banks in Nigeria saw a massive reduction in the number of banks due to the increase in efficiency, size, and concentration. These would lead to cost reduction, revenue increase, elimination of weaker banks, and opportunities for greater diversification and financial intermediation. The market and the government designed and aided the consolidation process, even as the consequences of fraudulent acts were felt.

Evidence has shown that the need for more attention to the real sectors of the economy, the inadequate policy framework for financial development, and weak regulatory supervision have affected the banking industry. Banks needed to be more 'over-confident, audacious, less transparent and less accountable' in their services. Though operational, most had weak bases

(Omankhanlen, 2012; Omankhanlen & Taiwo, 2013). Another scholar argued that the consequent measures of the chief regulator were the reformation of the entire bloc, hence the CBN 2005 reform programme, which raised the minimum-paid capital for all banks in Nigeria to N25 billion (Twenty-five billion Naira) from their first Two billion Naira 'with a compliance deadline of December 31, 2005.' This activity created 25 megabanks from the first 89 banks, which, it was hoped, would achieve the reform's objectives of Nigerian banks (Ojukwu-Ogba 2009).

It has been argued that a healthy banking system is critical to a sound economy for growth and alleviation of poverty. In contrast, a poor banking system (or poorly functioning banks) is an obstacle to the nation's economic progress (Shittu (2019). Egboro (2016) listed the following troubled banks as Afribank Nig. PLC; Finbank PLC; Intercontinental Bank PLC; Oceanic Bank PLC; Union Bank Nigeria PLC; Bank PHB PLC; Spring Bank PLC; Equatorial Trust Bank PLC; Wema Bank PLC; and Unity Bank PLC. Shittu (2019) agreed that financial indiscipline and recklessness through non-performing loans, corporate governance and capital adequacy were critical to their forceful winding up by the regulatory authorities in Nigeria. Ikhide et al. (2019) found factors such as insolvency in banks, excessively high interest, and a high inflation rate as causes, whilst deficient performances of the financial sector have been traced to wrong sequencing processes.

However, descriptions have created leeway for identifying the CG framework with in-built mechanisms. For instance, the internal and external mechanisms are BODs, Ownership and Control, and Management incentives, with the external mechanisms being the Laws, Regulations, and external markets (E. Adegbite, 2010; Denis & McConnell, 2003; Gillan, 2006). While investigating the influence of different governance mechanisms on agency cost, this author admitted that CG is imbued with internal and external mechanisms that harmonise all stakeholders' interests. The paper opined that external CG mechanisms, such as external auditing, aid in mitigating agency conflict in its monitoring ability, even while examining the books. However, it inferred that having an audit committee does not mitigate agency conflicts in a firm. Though audit fees are incurred (as agency cost), abnormal audit fees aid the reduction of information asymmetry between the principal and the agents, even as it creates economic bonding between the auditor and the client, which may compromise audit fees.

Regarding the internal governance mechanism, this scholar argued that decreased agency cost is expected in a firm where management ownership is in control because managers directly take part in the entrepreneur's gains and use the same incentives to increase the firm's values. Concerning management reward packages, the owners are willing to sign managers' package contracts that would aid in decreasing conflicts between them and increase the firm's performance (Jerab 2011; Schäuble 2019).

To enhance CG on the tenure of the board members, which has been identified as a problem militating against the growth of CG in the deposit money banks (Akande, 2016; Ehimare et al., 2013), the CBN's recent policy change on tenure issue for the MDs appeared in their July 13, 2023, publication. A post-mortem analysis by this researcher revealed that Nigeria’s post-bank consolidation effort increased the MD/CEO tenure benchmark to twelve years. This overruled the February 24, 2023, document that affirmed a maximum of ten years.

Recall that the 2004 guideline on the tenure of MDs under the powers of BOFIA (Bank and Other Financial Institutions Act and the LFN (Law of the Federation of Nigeria) empowered the CBN to execute decisions on banks in Nigeria, including the issue of tenure. Based on that, all CEOs holding positions were expected to vacate by July 31, 2010, after their ten-year period. That promulgation has effectively kept in check the endless duration of some bank CEOs' tenure until the release of the most recent circular of July 13, 2023, which gradually extended the ten years to twelve years (three-term governance for the MD/CEOs).

Evidence have shown that the CBN reform led to the increase in the banks' capital base from two billion Naira (N2billion) to twenty-five billion Naira (N25billion), and this strengthen the banks' capital base, however multiples of implications which varied amongst scholars on the basis of being vital to the dynamics of politics (Albitar 2021); positive effect on the qualities of the functions of the audit committee and the internal audit towards enhancing financial reporting hence impacts significantly on the disclosure processes of the corporate governance and the investors' decisions more so, on the professional and policy-makers, it will aid in improving governance oversight performance as the make regulatory reforms and reverse policies that are discovered to be inconsistent with the principles of corporate governance (Islam et al. 2023); the implication on the board of directors and the audit committee would be felt its size in the composition and structure would experience insignificant impacts while the ownership concentration will positively experience the financial distress (Gerged et al. 2022b); another impact was discovered to between the large shareholders and the external audit companies could improve the organization's performance after the crisis whilst the board non-duality and the presence of the majority shareholders also improves the performances of the corporation. These showed that these have practical implications which offer the government, management, shareholders, and policymakers the benefit of using these outcomes to gain knowledge that can be used to change recommendations that are inconsistent with the corporate governance mechanisms as well as other mechanisms that had different results/impacts, even as investors are expected to realise that CG mechanisms would gain higher than them in such investments (Abdoush et al. 2022); the reform will also aid in reducing effects on corporate environment and earnings management at varied compliance levels of CG internal mechanisms (Gerged et al. 2023); another implication of reform is that under the examination of the independence and size of the board, they have significance influence to reduce earnings management because their functions when effectively applied to have the capacity to reduce the practices fraud/earnings management hence weaken the link on earnings management of tax rate in Nigeria that practices the presidential system (Assidi et al. 2022); another implication exposes the that it creates the awareness for the investors and the stakeholders on the importance of CG and Big Data Adoption procedures that can aid to timely speed up the audit reports (Ahmed et al. 2023); more so, that it has practical policy on different as the regulators, managers, policymakers and the investors as the impacts affect big corporations whose financial reports are audited by high-profiled auditors as political uncertainty and power distance intensity have no co-relationship with the between the corporate social responsibility performance and audit report (Al-Absi et al. 2024)

Nigeria, being a market-based economy, the issue of corporate governance kept on resonating, even when compared with other economies. According to the 5th of June 2023 publication of the International Trade Administration of the U.S. Department of Commerce, the nation (Nigeria) has over one hundred and sixty-one quoted companies on its stock exchange with about $64.177 billion as market capitalisation, thereby portray it as an active and vibrant capital markets. Amidst varied challenges, her banking industry operates the CG framework. (Ezeani et al. 2021a) discovered that board characteristics has influence on the speed of adjustment under the system of stakeholder, even as board characteristics have different effects on the Japanese, German and the French corporations' capital structure, hence concluding that the CG environment impacts on the capital structure in existence. This portrays that Nigeria's market-based economy reflects the type of CG practised in the country. The accounting and auditing practices affect market-based economies such as Nigeria, which has several financial institutions listed in the Nigerian Stock Exchange that use external auditors in the examination of their financial records (Alqatamin and Ezeani 2021) argued in their empirical findings that the application of complex and risk of fair value by the external auditors enhance financial records. More so, it creates a positive link between audit fees and the number of fair-value assets. This explains that external auditors may hike their fees due to some complex estimates in a highly regulated environment due to a possible high cost of litigations. The paper opts for advantageous practical implications that hinge on the benefits investors, regulators, and auditors could derive from making financial decisions based on sound financial information from such institutions (Usman et al. 2023) posited that managers are uncomfortable with female audit committee members and are discouraged from manipulating the financial records even with the attendant presence of other variables such as the audit size, meetings, diversity and financial expertise.

The general implication for market-oriented economies such as the UK, the USA, and Nigeria is the need to update their auditing practices for quality information that investors could use to make policy decisions. In their examination of the implications of compliance with corporate governance provisions, such as the board composition and ownership structure, to the likelihood of financial distress of the firm (Gerged et al. 2022b), in their findings, they argued that these provisions are highly and lowly linked with the likelihood of corporate distress. In contrast, board independence with gender diversity and audit committee independence and institutional ownership do not cause or have insignificant effects on financial distress. On the other hand, (Albitar 2015a), using corporate governance and voluntary disclosure in Jordan exposed that board size and audit committee size significantly impact their relationship with voluntary disclosure, unlike the independent directors and ownership structure, whilst (Salem et al. 2023) discovering that religiosity is closely, noticeably and positively linked to voluntary disclosure quality in the banks.

2.3 The Role of Banks in the Nigerian Economy

As an institution, the bank is fundamental to Nigeria's growth because of its strategic role in aiding the growth of varied interests to boost the economy. Therefore, banking is classified as a business activity with multiplier effects, which accepts deposits and other monetary transactions for profit purposes and safeguards all deposits within it. Banks deal with depositors and borrowers while offering liquidity through their complex operations (Ojukwu-Ogba, 2009; Sanusi, 2011; Oluduro, 2015).

Banks' operations and her opaque nature differentiate them from other formal and informal activities. Furthermore, Oluduro (2015) bolstered banking characteristics as conduct that deals explicitly with current accounts, the payment of cheques drawn on the banker and the role of collecting cheques and other financial instruments from customers. These marked banks as a distinct entity from other financial establishments. Extant literature (Okanya and Paseda 2019; Onyekwelu and Iroegbu 2020; Ojukwu-Ogba 2017) argued that banks in Nigeria are licenced and also under the control of the apex; hence, they are registered and operate under the Companies and Allied Matters Act of 1990. Furthermore, banks play their legal role of being an intermediary to millions of Nigerians, foreigners, business organisations and governments in need of various levels of development.

The role of the CBN in economic development is to ensure financial and economic stability, conduct monetary policies, stabilise prices, lower inflation rates to avoid economic fluctuation affecting investments and production, manage exchange rates, and deal with monetary (Council and Britain) risks. Furthermore, the CBN conducts supervisory and surveillance responsibilities on all financial institutions, including efficient settlement and payments, controls the use of money deposit banks, promotes international trade, and encourages sound financial structure. Moreover, it oversees foreign exchange regimes and policies, macroprudential policy, the issuer of legal tender, custodian of both foreign currencies and external reserves, lender of last resort, acts as the clearing house, protects depositors' interests, banker, and adviser to the government (Sanusi, 2003; Ahmad, 2016; IMF, 2022; CBN, 2022).

The role of banking in Nigeria can only be more defined if the relationship between the head offices of the banks and their branches is identified. It is imperative to understand the importance and roles of the branches that support their headquarters in affairs of banks, even as the branches are operationally closer to the customers and make the institution's role aid in the economy's growth—admitted the significant position that branches of banks in the industry by positing that the growth, existence and expansion of banks could be found in the nature and relevance of branches. While using a multi-layered governance criterion to estimate the risk of financial distress in the Middle East and North African banks, these scholarships discovered that the arrangement consisting of bank governance does not affect financial distress and the insignificant nature of linking political stability and financial distress.

However, Sanusi (2011) found that the Nigerian financial system experienced severe upheavals, especially during the last global fiscal crisis (2007-2009), after which the consolidation process was undertaken to harmonise it. Nigerian banks, a key industry in the financial sector, are currently in the post-consolidation era, where they are still one of the central participating pillars of the Nigerian economy, playing vital roles. This study will expose the role of Nigerian banks in the country's economy (Boone 2005; Olowe 2009).

Academics (Gerged et al. 2022a) admitted that an effective and well-oiled banking system is critical in the promotion of economic growth of nations as well as financial stability; hence, regulatory authorities and national governments within the global settings are concerned about bank stability, leading to the need for effective regulation of the industry. A bank as a financial institution deals with debits and credits (inflow and outflow of cash), performing roles of lending, acceptance and depositing of money. Also, it aids in bridging the gap between the lenders and borrowers. Importantly, banks deal with money; they also produce money. They argued that 'bank' as an evolving activity has no acceptable definition, with services that spread from Forex, payments, deposits/loans, fiduciary services, financial markets activity and support (Ahmad, 2016; Boone, 2005; Olowe, 2009).

As banks identify their roles and competitors using their brand names as their identity instruments, they set up their branches and subsidiaries by providing e-banking services. With the adoption of e-banking, transaction costs are reduced to become advantages. However, a comparative disadvantage of yesteryears was spotted in banks with large branch networks. Still, due to strategic planning, they bounced back with reduced numbers and structural changes, offering personal banking services, financial advice, direct enquiries, and processing loan requests (Kondabagil 2007). Sanusi (2011) and other scholars are united in upholding that the role of banks in any economy centres on lowering the transaction costs by the supply of credit to the deficit ends and accepting deposits (surplus). In loose terms, banks take in money called deposits from people and organisations and lend it to borrowers who need the money to solve or transact businesses. They take an interest in these transactions. Through this method, the economy grows. The position or role of the bank is not just being an intermediary between depositors and borrowers, but it is also engaged in distributive services (Bollard et al., 2011; Ehlers & Villar, 2015; Prabhavathi & Dinesh, 2018).

Sanusi (2011) admitted that the bank is not just a financial institution but a critical nervous system of a market-based economy that responsibly coordinates financial activities through its triple intertwined dispositions for the economy to thrive. The sectoral dispositions found include acting as principal agents accepting liabilities and buying claims, as an authorised market that eases the exchange of financial assets, and, by supplying practical infrastructural components, enhancing interchange between intermediaries and markets. Ojukwu-Ogba (2009) depicts the bank as the artery that conveys the economic lifeblood of nations.

It has been adduced that banking's role includes the provision of short- and long-term financial aids to ease commerce and industry, property development financing, agricultural exports financing, and the offering of invaluable advisory services (OFORIOKUMA 1964). Ehlers & Villar (2015) credited banks for playing a pivotal role in developing emerging markets globally by giving out credit facilities and financing household needs such as mortgage loans. Through these advances, banks altered the credit system in the composition of its assets by using the fact that credit moves to households, which makes the bank depend less on stable ways of making money.

Evidence holds that the primary role of Nigerian banks is to safeguard funds and other assets while advancing loans to individuals and firms under the apex regulation of the CBN. Oforiokuma (1964) argued that these and other measures are significant roles banks play in supporting economic development. Bollard (2011) admitted that banks support the economic growth of nations and people's living standards by ensuring that the financial system is sound, efficient, safe, and resilient. Banks clear and settle cheques and other financial instruments to enhance local and international trade, distributing resources from the surplus to people in need and developing products against risks and uncertainty.

Nevertheless, globalisation has changed the dynamics of banking as increased services appeared out of competitive pressure and demand for economic growth (Prabhavathi & Dinesh, 2018). It has been pointed out that time and some dynamics have made banks worthwhile institutions to partake in collecting and monitoring taxes, fiducial functions, and macro-prudential supervision. However, sadly enough, banks' platforms are also used as tools against money laundering and the financing of terrorism (Van den Spiegel 2014).

Nevertheless, despite the emerging changes of roles seen, an International Monetary Fund (IMF) document insists that banks keep their traditional roles, such as making loans, accepting deposits from individuals, organisations and even governments, pooling the funds and acting as intermediaries between the depositors and the borrowers, through which interests are paid. IMF (2017) categorised depositors as individuals and households, financial and non-financial, and national and local governments, posited that borrowers are in the same categories as already listed. This IMF bulletin added that banks' roles in the economy are creating money by lending and recycling money within the system by creating, distributing, trading securities and transmitting monetary policy.

Furthermore, banks facilitate international and local trade because they are done on credit; banks act as referees and guarantors for their customers; aid in the creation of money by facilitating businesses to expand; assist in the sale of government bonds, shares and debentures; gives credits (loans); discounts bills; act as advisors, agents and counsellors to their customers, whilst controlling the rates of foreign exchange (Ehlers & Villar, 2015; Ntarmah et al., 2022; OFORIOKUMA, 1964; Van den Spiegel, 2014).

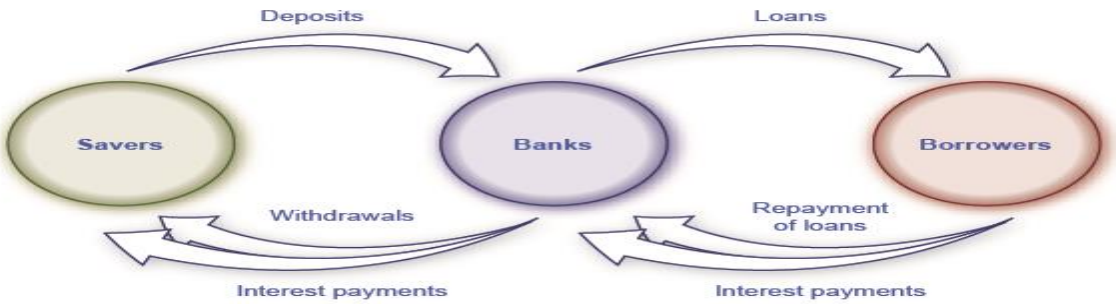
However, there is no doubt that, in most advanced nations between the 1990s and 2008, the lending role of banks was vigorously challenged by market-based finance due to global financial conditions to accommodate monetary policies. Ehlers & Villar (2015) argued that, in emerging markets such as Nigeria, a short-term debt instrument is the status quo to support depositing instead of expanding their balance sheets by buying scrutinised debts financed with commercial papers. They added that the role of banks includes reducing the extraordinary transaction pressure the economy carries, for example, involving goods, labour, and financial capital markets.

Whilst finding critical challenges faced by banks in their roles of financing, which have limited the growth of sub-Saharan Africa, Ntarmah et al. (2022) listed the relationship between bank financing and the growth of the economy, which credited the growth of Nigeria's GDP (Gross

Domestic Product) between 2000-2014 to the CBN's policy. Based on the quarterly positions, the private sector favourably prospered. However, growth was indifferent due to high lending rates, making it difficult to posit bank roles in the economy despite creating money and financing economic activities.

Adegbite (2012) showed Nigerian banking initiatives to expand and revamp the roles of banks through innovations but found that they have faced regulatory challenges, including various codes, enforcements, and government roles and policies since the post-consolidation banking era. Awe (2017) justified these positions by exposing incessant corruption and financial recklessness, which started from the colonial government era but was not tamed due to a lack of political will by past leaders who ineptly encouraged fraud.

2.3.a Figure 1. Banks Intermediary Role in an Economy.



The design was sourced from OER services – Macroeconomics.

2.4 Nigerian Banking Industry and Fraud

It is not in contention that the banking industry is a highly specialised business area amongst all business formations. Its complexity is vital for the economic and social growth of nations. Scholars depict the attributes of banks that distinguish them from other business concerns, such as opaqueness and regulation. There is no doubt that the nature of banking has drawn particular attention because of its unique operations and closeness to the economy; hence, the mechanisms designed to control banks are legal and prudential guidelines, restriction on lending and restriction of holding (Levine, 2004; Shleifer & Vishny, 1997; Spargoli & Upper, 2018). This is tied to its attributes of greater 'opaqueness than other corporations and greater regulation' (Caprio & Levine, 2002). Though deductions that banks in Nigeria are the most controlled and regulated organisations to be depicted as the most safeguarded yet lamented that the issue of fraud continues to reverberate as the crime continuously exists in all units/departments (OLAOYE, ADEBAYO, & DADA, 2014).

The years between 2007 and 2009 were high points of corporate fraud, which disrupted the operations of most banks in Nigeria. It has been argued that the Nigerian banking industry's crises were routed to the corrupt and fraudulent activities of the bank executives. Prominent corporate frauds in Nigeria were Afribank PLC, Oceanic Bank and Union Bank PLC, amongst others, systematically found frauds in 2021 involving consumers/customers and employees of some Nigerian banks. According to financial statements from Access Bank PLC (N502m), third parties lost about N1.98bn; Guaranty Trust Bank PLC (N511.9m); First Monument City Bank (N89.8m); and Wema Bank (N670.73m), which cumulatively is about N1.77bn lost vide frauds (Akinadewo et al., 2022; Okaro[1] et al., 2013; Okaro & Okafor, 2013). The implication of an effective CG in the banking industry is that it prevents the misapplication of accounting practice, which encourages fraud, thereby giving respites to investors and depositors to have confidence in compliance systems. In this case, the board size and the executive directors' compensation are prominent in ensuring corporate fraud is combated. Usman et al. (2022) discovered that classification shifting (Sinkovics et al.) exposed how managers inflate core earnings by misclassifying recurring expenses in the income statement as non-recurring expenses. Lending credence to these facts, Admati (2017) argued that corporate business calamities cannot be unconnected to corporate governance, where the actors did little to save their organisations even though those businesses had tales of different woes associated with them. Therefore, the narratives of corporate governance cannot be disjointed from corporate organisational structural frictions and failures which crashed multi-trillion USD worth of global investments.

However, it has been alluded that fraud and its consequences on the Nigerian banks have always ended disastrously, yet lessons have not been learnt. These authors drew a historical analogy to remind readers that all those crises of confidence and failures of banks in Nigeria started in the 1930s when all indigenous banks crumbled, with the only survivor being the National Bank. Subsequently, a decade later, a similar event reoccurred with only four survivors, whilst repeats of the same ugly scenario invited the liquidators' hammers between 1952-54 when sixteen out of twenty-four banks were hit (Chiezey & Onu, 2013). Furthermore, these scholars added that twenty-six banks were liquidated in the 1990s, while the rest were either restructured, renamed, merged, bought, or directly sold out to new investors. This writer postulated that the fatality of fraud outweighs all the risks confronting banks; hence, the enormity of fraud cases in the Nigerian banking industry can be inferred from its value, volume, and actual loss.

It has been argued that fraudsters are motivated by greed and work pressures as top management (CEOs and CFOs), mid-level and lower-level employees who hide their incompetence or seek rewards. Even as organisations perpetrators counterfeit financial statements for loan requirements and inflation of contracts or inventories, this paper admitted that most fraudsters are usually trusted employees with no felonious background and are usually first-time offenders (Alnajar 2021). It is further argued that banking institutions have become more fragile and prone to fraud because of their dealings and keeping custody of cash, attracting embezzlement and fraudulent activities. Furthermore, these scholars divided fraud into three key sub-categories: technology-related, KYC-related, and advanced-related. They also distinguished three dimensions of bank fraud: inside, outside, and collaborative fraud (connivance between insiders and outsiders). They insisted, however, that bank directors, executives and loan officers account for many huge sums disappearing from the banks (Mangala & Soni, 2023).

However, pointers adduced that acts of fraud by the executives have led to the demise of several corporations based on the differences in CG, earnings, management activities and compensation structures in scandal- and non-scandal-hit firms (Zam et al., 2014). Examining the growth of bank fraud and how it affected the Nigerian banking industry, this writer adjudged that most fraud scandals were traceable to corporate managers' inflating financial results in diverse ways, coupled with poor corporate reporting, which incensed the public against corporations, including banks. However, maintaining an effective corporate governance structure with aligned policies and procedures for the corporation's assessment, prevention, detection, and investigation is essential to reducing or dropping fraudulent cases. These were achieved from within the roles of BODs, Management and Audit committees. However, Dechow et al. (1996) saw that firms which manipulate their gains had management-dominated BODs, such that their CEOs also function as Chairpersons of the BODs or the founder of the company; the company could not have an audit committee or an outsider holds a block of the shares.

Olaoye & Dada (2014) worried about the spate of reoccurrences of fraud incidences in the banks in Nigeria, acknowledging through the definition posed by scholars that fraud is dangerous. Some definitions the paper captured deduced fraud and fraudulent acts as act of deceit using tricks, manipulations through illicit practices that breach trust and confidence towards gaining or making illegal credit/profit in addition as well as having undo edge. This paper argued fraud as a calculated clandestine or covert act designed to defraud banks of their assets.

Using the definition of the Association of Certified Fraud Examiners (ACFE, 2011) deduced that fraud is an illegal act perpetuated through deceit, concealment, or violation of trust, as the threat of violence or physical force is not used in this obnoxious activity. Fraud destroys the credibility of the banking industry, which is based on trust and reputation where all stakeholders (shareholders, depositors, regulators, government, lenders, suppliers, amongst others) seek the manifestation of accountability, transparency, and disclosure in all banking activities for the sustenance of confidence in investment and depositing (Mangala & Soni, 2023).

However, it is not in contention that fraud is a hydra-headed criminal act that has eaten deep into the fabric of this specialised industry. However, it can also derail the socioeconomic development of the country. Ikpefan (2006) alertly inferred that those issues concerning frauds, thefts, defalcation, and forgeries within the Nigerian banking industry had grown unprecedentedly in dimension and proportion never imagined, as it has libelled as endemic and intractable. Also, it was seen that some bank officials engaging in fraudulent activities have negatively impacted bank deposits in Nigeria (Udeh & Ugwu, 2018). Ikpefan (2006) gave an example of the former MD/CEO of Gamji Bank, who was tried for stealing N57m but decided to give back N103m. This led to further investigation by the NDIC (Nigerian Deposit Insurance Corporation), whose findings showed that the ex-MD/CEO committed fraud of about N1,086,438.33b.

The unique role of banks as the pivot of economic growth and national development has also made them targets of fraudsters due to the exposed risks they face. However, it is opined that many of those risks, such as constant fraud and accounting scandals, were mismanaged. Indeed, the Central Bank of Nigeria 2014 showed internal mechanisms such as the board of directors, ownership and control, and managerial incentives. The board represents the shareholders and supersedes all the banks' structures (Taiwo et al., 2016). Further exposure was the critical, complicated friction between Shareholders and the Executive Management. This affected the collapse of two US hedge funds and caused crises that eclipsed BNP Paribas and British Northern. Whilst revisiting the concepts of corporate governance and corporate frauds, the exposition of the connection argued that the triumvirate of actors involved in these features are the board, the managers and the stockholders, even as these spates of calamities in business triggered reputational damages (Roe 1993).

Ogbamosa (2018) adjudged the corruptly polluted Nigerian environment as the most significant challenge and threat to good corporate governance because it does not encourage transparency in developing nations like Nigeria. Furthermore, corruption encourages fraud, where executives defraud their corporations to become richer while investors and depositors become helpless. These daily occurrences in Nigerian banks have become endemic despite multiple efforts to stop or reduce corporate fraud. Ikpefan (2006) collaborated by positing that banks reflect the society they run. Olaoye and Dada (2014) added that Nigeria is on the brink of failure because of fraudulent activities glaringly pervasive in the country, and the banking industry is increasingly disturbed by fraud, which is embarrassing. No other institution is safe from fraudsters as no activities would be a clean transaction.

Naturally, the complex nature of business ensures that banks should have adequate, effective, and efficient safeguarding measures to watch, protect and spot illegitimate financial and monetary transactions under their umbrella of business whilst examining the customers' source of income, transaction volume, destinations, and sometimes, reasons for such deals. It has been argued that tremendous contributions against financial crimes can be effectively made within the banking sector if positive efforts are geared towards implementing policies and procedures designed to combat them (Simwayi & Guohua, 2011). Astonishingly, Chiezey and Onu (2013) asserted that fraud and fraudulent activities do not affect bank performance. However, they admitted that these criminal acts inflict severe financial strains on banks and their customers, reducing the amount of money for economic development. Olaoye and Dada (2014) debunked the assertion that fraud and fraudulent activities do not affect bank operations by categorically presenting documented data of some banks to illustrate that some banks find it challenging to balance their books because of the menace of fraud.

It has been discovered that Nigeria's politicisation of crimes, unnecessary constitutional immunity, public doubt, and apathy towards the government's fight against crime, poor documentation and representation have led to slow justice, as well as the low-level commitment by other security agencies to fight economic and financial crime. In Nigeria, spotlights have continually been focussed on the financial sector, of which the banking industry is a critical member. The Nigerian banking industry has been accused of not meeting its billings in combating fraud. The banking system, which acts as a medium for the flow of funds to sectors of the economy and out of the country, has been enmeshed in scandalous financial activities that betray the trust the public has in it (Adegbie & Fakile, 2012). Ikpefan (2006) opined that the spate of the rise of this criminality has reduced investors', depositors’, and other stakeholders' confidence in the industry. Olaoye and Dada (2014) alluded that the rising fraud level in this industry has caused stakeholders to lose trust and confidence, even though law enforcers are trying to get a grip on these ugly acts and their perpetrators.

Enumerating issues relating to some findings discovered in Nigerian banks, this scholar (Ezeoha 2011) listed elevated levels of fraudulent activities, ineffective and outdated laws, acts and regulatory frameworks. Some banks' corporate governance frameworks still need to be more effective, with poorly trained and inadequate personnel to oversee banks' Information and Communication Technologies (ICT) software effectively. Other identified factors include poor recruitment policies, job insecurity, lack of adequate provisions towards achieving a systematic and organised development of Internet banking, fear of system lapses, dangers of massive fraud due to consolidation, lack of adequate communication infrastructure to deal with e-commerce, poor compliance attitudes, diversity and activities of cyber cafes acting as avenues for internet crime, and the dormant internet fraud complaint centres. Taking an intrinsic perspective, Ikpefan (2006) declared that computer fraud is due to many negative manipulations by bank staff, frauds occur, forgeries with the intent of fraud through the presentation of forged cheques, illegal authorisation of loans without complete collateral, posting fictitious credits, suppression of cheques/cash, fraudulent transfers and withdrawals, defalcation of cheques and cash, loss of money to armed robbers and outright theft of cash.

Furthermore, in examining the causes, Olaoye and Dada (2014) critically pointed out that the causes of fraud in banks are classified into two categories, namely institutional and environmental factors. Institutional factors can be narrowed to the organisation's internal environment (bank/financial institutions), whilst environmental factors come from outside the banks. In other words, it means the influence of the environment/society where the banks are situated/operationally thriving. This paper lists the causes of institutional factors such as weak accounting and control systems, inadequate supervision, disregard of KYC rules, poor information/data management, hapless personal policies, and poor rewards/conditions of service. Other factors include frustration over management's unfulfilled promises, lack of banking experience, inadequate training and retraining and poor bookkeeping. On the Environmental factor's ingredients, the author found societal value, personality profile of dramatis personae, lack of adequate punishment, unemployment and elevated levels of poverty, and fear of negative publicity. On the other hand, Ikpefan (2006) listed causes as a lack of experienced and adequately trained staff, poor compliance standards from internal audit and control, poor/inadequate bookkeeping and accounting procedures, poor credit administration, inadequate job rotation/segregation of duties, ineffective bank management, poor knowledge of the job, fraud, society expectations and delayed justice, amongst others. This thesis would add that inadequate board supervision/oversight and poor knowledge and implementation of CG could be linked as critical causes for fraud perpetrations by bank staff in Nigeria.

Empirical studies have also shown that fraud in Nigerian banks grew out of the greed of the executives and the collaborators, whose acts were for illegally buying wealth. Olaoye & Dada (2014) used criteria to distinguish perpetrators of fraud in the Nigerian banking industry as management of the banks (classed as management fraud), insiders (known as employees/bank staff), outsiders (which include customers and non-customers) and outsiders/insiders (seen as a collaboration between bank employees and outsiders). Ikpefan (2006) added insiders' abuses and board tussles whilst describing most fraud acts as committed under the skilled pretence of forgeries that passed undetected. More so, this author claimed that bank cashiers and accounting clerks are critical perpetrators of fraud, whilst those at Clearing were indicted in this criminality even as '419' (Advance Fee Fraud) perpetrators have focused their attention on the Clearing system.

Olaoye and Dada (2014) admitted that the regulatory authorities in Nigeria are baffled and embarrassed by the growth in the level of fraud incidences in the banking industry. This paper pointed out that mandatory constitutional powers under Section 35 and 36 Acts 2006 conferred on the responsibilities of the NDIC to retrieve monthly returns of fraud and forgery data from banks. Equally, banks should notify the NDIC of staff relieved of their employment due to fraud or other financial irregularities. In addition, Chiezey and Onu (2013) opined that a comprehensive fraud management scheme should be holistic and include fraud deterrence, prevention, detection, mitigation, analysis, policy, investigation, and prosecution. They added that these stages must be adopted for fraud detection technologies to combat fraud in Nigerian banks.

However, Olaoye and Dada (2014) admitted that fraud cases in banks cut across nations as nobody, especially the business world, is immune to them. Following that, the FSA (2006) revealed that, within the financial sector, a rise in fraudulent activities had been noticed until 2004 when, in the UK, the aggregate plastic card fraud reached £505m, an increase of about £1.4m from 2003. This paper noted that a drop in the following year, 2005, was recorded in lost and stolen cards and counterfeit card fraud because of the introduction of Chip and Pin technology. Ikpefan (2006) saw that in Nigeria during 2004, an upward rise of bank frauds rose to N8309.83b against 1994's N3399.39b, an increase of over 350%. Addressing further down the line, this scholar argued that 77 out of 90 banks recorded cases relating to fraud of about N112.9b in 2002; out of 943 cases in 2001, about N11.2b was lost. The NDIC reported that the actual loss exceeded the N1.3 b provision. More so, their (Bendickson et al.) 1996/7 Annual Report and Statement of Accounts admitted that the statistically record level of fraud reached N1,006m in 1027 cases in commercial banks and another 587 fraud cases, amounting to about N1,543m. Chiezey and Onu (2013) lamented that fraud and fraudulent activities have posed significant problems despite solutions advocated to tackle them, as well as the inputs of the security agencies. They also estimated losses incurred due to fraud in industries in the US, such as $67b (insurance), $150b (telecommunication), $1.2b (banks), $40b (money laundering), $5.7b (internet), and $1b (credit card). These scholars upheld the view that considering the role of the banks in the economy, these figures are a complete threat and danger to developments and, if unchecked, could lead to the collapse of banks.

However, the robust governance arrangement has defined structure, transparency, consistent lines of responsibility, effective risk management processes, and control mechanisms; the ultimate responsibility of risk rests with the board of directors (Cadbury, 1992; FRC, 2014; EBA, 2018). CG is an essential framework, strategy, and element in mitigating fraud in organisations by finding and preventing all fraudulent activities in the banking industry. This process can be achieved through aiding the bank directors in setting up and encouraging whistleblowing, aiding towards an establishing effective, ethical code, helping to promote good governance, guiding in full use of risk management, and encouraging banks to use independent third-party auditing, coupled with the prevention of fraud by the board members themselves. FSA (2006) reflected in their findings that key management personnel of firms should take the initiative to find, assess, and ensure adequate control, including enhancing added controls to prevent fraud in their companies. These steps will aid in avoiding reputational damages and protecting their customers and the markets where it is used. This stems from highlighting the essence of good corporate governance as a strategy or mechanism against corporate fraud. Unequivocally, it was seen that some laxities and problems existed within the CG (internal). At the same time, structural abuse and failures in some firms were recorded as informal and passive treatments/attitudes towards/by some BODs. Some executive management team members were not engaged in anti-fraud strategic developments, while some gave approvals informally.

Olaoye and Dada (2014) agreed that fraud is enemy number one to businesses, even as it poses specific threats to eco-political stability in general. They exposed the fact that a more significant percentage of money is stolen with the pen than other means, as fraud could be through means of theft of inventory assets, abuse of expense accounts, bribery and secret commissions, false invoicing, electronic and telecommunication frauds, unauthorised use of information/data, cheque forgeries and cloning and false financial records/statements, amongst others. These scholars posited that banks have incurred unimaginable losses that fell victim to their trusted staff who, on their own or with collaborators, criminally defrauded the institution.

However, Mangala and Soni (2022) surmised that, despite all efforts to strengthen the mechanisms of the banks, fraudsters would still circumvent them. The paper added that time and resources are necessary ingredients banks must distribute to effectively mitigate fraud, even when it cannot be eradicated but could be reduced.

2.4.a Figure 2. Fraud and Forgeries in Nigerian Banks between 2002 – 2012

Table N. 1: Total Amount Involved in Fraud and Forgeries

YEAR	Total No of Fraud Cases	Total Amount Involved (N' Million	Total Expected Loss (N' Million)	Proportion of Expected Loss to Amount Involved (%)	Staff Involved
2002	796	12,919.55	1,299.69	10.06	85
2003	850	9,383.67	857.46	9.14	106
2004	1,175	11,754.00	2,610.00	22.21	383
2005	1,229	10,606.18	5,602.05	52.82	378
2006	1,193	4,832.17	2,768.67	57.30	331
2007	1,553	10,005.81	2,870.85	28.69	273
2008	2,007	53,522.86	17,543.09	32.78	313
2009	1,764	41,265.50	7,549.23	18,29	656
2010	1,532	21,291.41	11 ,679	54.85	357
2011	2,352	28,400.86	4,071	14. 33	498
2012	3380	17,965	4,517	25.14	531
TOTAL	17,831	221,947.01	49,689.04		3,911

Source: Adapted from NDIC ANNUAL REPORTS (2002 – 2012)

The design was sourced from Olaoye and Dada (2014).

2.5 Summary

This chapter dealt with how banking was introduced into Nigeria by her colonial master, Britain, and how it struggled to grow to its present height despite multiple challenges and issues, such as fraud. This chapter also explained the varied stages or eras and the emergence and collapse of multiple banks (from the colonial era till the date of writing). It also explained how and why corporate governance appeared in the banking system. More so, it explained the role of banks, how they aided in the country's development, and how they are battling to curb fraud.

The next chapter will address the definitions, roles, objectives, issues, challenges, and structural mechanisms of corporate governance in Nigerian businesses, especially the banking industry. It will discuss how CG appeared, how it is a strategy to control and direct businesses, how it is designed to mitigate fraud, and what it does and is supposed to do in the financial sector and banking industry. The next chapter will describe how fraud is an issue in Nigerian banks and how the CG code tried to mitigate it. Empirical evidence will be used to establish the link between CG and fraud in Nigerian banks, providing an avenue for our understanding and enriching our knowledge.

The theoretical framework and literature review will explain the agency theory associated with this study.

CHAPTER THREE: THEORETICAL FRAMEWORK AND LITERATURE REVIEW

3.1 Introduction

This chapter focuses on the theoretical underpinning of the study. It discusses agency theory, which has been identified to have a critical role in corporate governance. The further insight this chapter seeks to expose would be the explanation of other key concepts in this study, such as fraud, fraud risk management, and corporate governance. It also discusses the relationship between CG and fraud in the financial/banking industry and the ongoing debate about the implication of corporate governance for the financial sector. This thesis will also examine the role of CG in mitigating fraudulent activities, and the discussions will cover the empirical links between CG and fraud.

It also reviews empirical studies on the role of the board of directors and audit committee in fraud mitigation.

3.2 Agency Theory

Agency theory has been described as one of the oldest management and economic theories that exposes and discusses problems and conflicts in corporations, especially on the crux issues such as the separation of control between owners and managers, as well as the information asymmetry (Panda & Leepsa, 2017; Lee, 2013). The theory focuses on the conflict of interests between agents and principal (Jensen and Meckling 1976; Fama and Jensen 1983). Since the agent has the more significant part of the corporation's information, the principal needs to gain knowledge of the organisation's goings-on and, hence, is unaware of the level of safeguards relating to his investment, despite their rational behaviours. These self-interested or opportunistic behaviours lead to moral hazard problems (Lee 2013).

The conflict of interests emerged when the agent withheld superior information on the firm's operations from the principal due to divergent interests, hence working against the contract. Therefore, This conflict creates the need for ownership and control of the business to avert crisis (Ali 2020b; Fama and Jensen 1983; Fama 1983).

In the 1932 thesis of Berle and Means, the business's ownership structure was examined with a finding that evidenced almost absolute powers of the managers/agents in being opportunists to commit fraud to the detriment of the principals/owners. The identified self-interest of the managers creates a conflict of interest between the principal and the agent, which is the contention in the agency theory (Fama 1983; Jensen and Meckling 2019, 1976; Mizruchi 2004). It was further adduced that information asymmetry issues linked to this agency's contractual agreement offer opportunities for the agents to enrich themselves at the detriment of the principals opportunistically. Lambert (2006) posited that agency models are formed to expose critical issues caused by moral hazard and adverse selection problems, which could be challenging to solve. As a critical accounting theoretical paradigm, agency theory inhibits conflicts of interest, incentive problems, and problem-incentive controlling mechanics.

Corporate governance mechanisms align the interest of agents and principal, thereby resolving the issues inherent in the separation of ownership and control. Thus, a good corporate governance mitigates agency problems (John & Senbet, 1998). Previous studies suggests that board monitoring reduces agency issues (Morellec et al. 2012; Ezeani et al. 2022b).

Afolabi & Dare (2015) argues that the corporate governance mechanisms reduces adverse selection and moral harzard issues (M. Amupitan Moses Dare, 2015). Indeed, adopting the Agency theory for this work is traced to its relationship with the understanding of organisations and corporate governance.

Mitnick (1975) argued that, though the key figures are the principal and the agent, the author blamed society for the imperfections that aided in shaping the compensation system it produced. The postulations of Fama & Jenson (1983 & 1986) cast a distinctive look at this Principal-Agent relationship by asserting that the theoretical establishment of this contract has created problems that have engulfed corporations for several years. This problem, which hinged on the separation of ownership and control, has its opposing positions, such as reducing the speed of the decision-making process, reducing flexibility and speed of response when changes occur, as well as the problem involving the principal and the agent during periods when a conflict of interests or incentive appear. Further analysis from these authors exposed the essence or purposes of CG as designed to dissect ownership from control of businesses whilst showing the need for checks and balances, independent monitoring, procedures, processes, and control guidelines. This is where the BODs strategically design the guidelines to be followed by the management and all parties to avoid conflicts, known as the principal-agent problem.

Giraud *et al.* (2022) illustrated that, in the capital market, CG is a tool designed to instil confidence towards promoting investment and depositing. The rise in corporate fraud showed that conflicts of interest between the principal and agent needed an effective CG to monitor, control, and mitigate the agent's excesses (management). Hence, an effective CG mitigates corporate fraud. This could be aligned with agency theory, which can be applied to explain specific governance models.

Jensen & Meckling (1976) extensively discussed the agency relationship and its implication on CG by acknowledging that agency is a principle that exposes issues and problems in organisations while also creating relationship resolution patterns. This theory advocated that CG could improve the performance of the firms as well as reduce agency costs in corporations when problems between the principal and agent appear. Furthermore, agency theory cannot be segregated from CG. Both are interwoven on issues related to firms, principal and agents, their interests, conflicts, performance, and, by extension, the stakeholders. Also, it has been shown that agency theory has the most considerable influence on CG and management control systems research because it formed the theoretical foundations for economics, marketing, accounting, management, finance, and information systems.

Aside from greediness, separating ownership from control also aids in creating Agency theory. Notably, the two key issues agency theory sets out to resolve in the principal and agent relationship are goals and risk-sharing. However, risk-sharing ranks higher as the prime cause of agency conflict (Bendickson, Muldoon, Liguori, & Davis, 2016; Eisenhardt, 1989; Panda & Leepsa, 2017). However, recognising that both actors also play egoist (self-centred) games about their welfare, the result shows that unifying both welfares is another source of agency problems. Furthermore, some managers 'cooking of books has been traced to opportunistic behaviours. It added this intrinsic motivation to lead to financial fraud potentially.

Some of these identified frauds occur as inappropriate booking of revenue, improper valuation of assets without the disclosure of accurate material information, and abuse of financial reporting. Other financial frauds by managers include corruption, lying about facts, falsifying information on firms' performance, or trying to cover up systematic problems. These may increase their compensations but cause harm to the investors/shareholders (Shi et al., 2017). (Pollman and Thompson 2021; Cheffins 2021) asserted that the issue of losses caused by the agent (management) against the principal (shareholders) through fraud/financial statement manipulation (earnings management) has often been cited as key to the unhealthy relationship. This has been identified as the root cause of disharmony in the contract between the principal and the agent as evidence of the differences in interests and information asymmetry continue to manifest (Suhadak et al., 2022)

Jensen and Meckling (1976) posited that the principle of agency theory is adopted to explain and resolve organisational relationship concerns with organisational information. The withholding of information by the agent could be detrimental to both the principal and the organisation. This is because agents should honourably account for stewardship to the principal. Moloi and Marwala (2020) opined that the desires and goals of the principal and the agent made it expensive and difficult for the principal to have the requisite information about the company. Wei *et al.* (2017) upheld the views of scholars that, in agency theory, internal governance acts to diffuse the tension between the principal and the agent over information asymmetry by aiding in reducing the likelihood of fraud. Mitnick (2003), Ekanayake (2004) and Moloi & Marwala (2020) agreed that BODs always resolve issues of benefits in favour of the company. Exposing human frailty and egoistic nature, Eisenhardt (1989) dissected that information has become a commodity traded between the agent and the principal. Suhadak et al. (2022) explained that information asymmetry typified an imbalance of information received by the principal and the agent, even as the agent has more information and hence decided to be less transparent in transmitting the same information to his employer (the principal).

The position of this thesis differs from the postulations of previous studies (Aguilera & Cuervo-Cazurra, 2004; Shi et al., 2017), which endorsed that the external governance mechanisms forming of activist owners, the markets for corporate control, and securities analysts can deter the agents/managers from fraud in firms. However, this thesis argues otherwise that the internal mechanism of the board and audit can mitigate fraud in organisations such as banks.

Agency theory, like other theories, has weaknesses. Eisenhardt (1989) called agency theory trivial, dehumanising, and dangerous. Furthermore, Eisenhardt (1989), Shleifer & Vishny (1997), and Daily et al. (2003) included unlimited and limited contracts that bind both the principal and the agent in the firm. However, they noted that this agreement could remove the agency problem, information made available to the principal, fraud, transaction cost, and rationality.

3.2.1 Fig. 14. Agency Theory in Practice

Design sourced from Emeagwali, O. L. (2017)

3.3 Definition of Fraud

Fraud has been defined as illegal activities identified with deceit, concealment, or abuse of trust done by parties to get money, property, or service. In addition, fraud affects the banks' financial, operational, and psychological fortunes; it is equally linked to avoiding payments, loss of services, or the greed to get/receive personal or business advantage (Bhasin, 2015). Fraud is a criminal activity where an individual or group of individuals use deception for their gains by causing loss to a person(s) or organisation (s). Under the UK Fraud Act of 2006, three critical offences were identified: false representation, failure to disclose information, and the abuse of position.

Closely related to the above definition came from a scholar who defined *banking fraud* as malpractices adopted to gain money, assets, or any other property in the possession of an individual or organisation or even to benefit money from the depositor by using multiple fraudulent acts (P. M. Jackson, 2013). In the context of fraud definition, The Association of Fraud Examiners defined fraud as any illicit act that is characterised by deceit, concealment, and violation of trust, and they do not depend on the application of physical force or threat of violence (Olatunji et al. 2014)

However, another author surmised it all by stating that no single definition can explain the definition of fraud but admitted that false representation, abuse of position or the bias of one's right for direct or indirect benefit can be legally termed fraudulent. Whilst its associated partner, forgery, is seen as fraudulent copying and the use of one's bank account that is committed only on a falsified or altered written document for the intentional purposes of committing injury to another individual or corporate body/bodies (Oloidi & Ajinaja, 2014).

3.3.1 Sources and Types of Fraud

Fraudulent activities in banks through financial transactions have existed over the years, and the framework's cost, frequency, and complexity have been enormous and disturbing. The sources of fraud in the public sector include the area of taxation due to tax evasions, where about £15 billion was lost; through procurement fraud, about £2.5 billion was lost; benefits and tax credits fraud cost taxpayers about £1 billion; £0.5 billion was lost through grants fraud whilst fraudulent activities took its toll on the Local governments of about £2.1 billion. Identity fraud also exists and has been on the increase (P. M. Jackson, 2013). Fundamentally, these sources incorporate white-collar criminals and know-how criminals, classified as internal and external fraud. Further explanation asserted that criminals outside the establishment commit external fraud, while staff (Cracknell 2021) -perpetuates Internal fraud.

In 2009, an accounting fraud of immerse dimension caused the demise of Colonial Bank (Grammatikos & Papanikolaou, 2021). Nevertheless, cases of fraud in firms with dire consequences continue to emerge even after the global fiscal crisis of 2007 and 2009 that exposed varied incidences of fraud, its effects and the unconscious but gradual entrenchment of fraudulent business activities—the upswing of fraud criminalities terrified stakeholders. By 2006, the Central Bank of Nigeria (CBN) instituted the Code of Corporate Governance (Pathak PhD et al.) in the banking industry to mitigate fraud. The trend seemed unabated despite research, improvements in legal frameworks and the establishment of governmental agencies to mitigate fraud in Nigeria (Marshall 2015; Adekoya 2011).

Indeed, traditional bank fraud due to the abuses and the use of illegal techniques on the financial organisation or its services for personal gain involves creating false accounts and using and adopting false identities (SALAMI 2020). As a negative catalyst in the Nigerian banking industry, the typical sources of fraud identified are the internal and external sources which have caused many Nigerian banks to go under. These led to massive loss of investors' and depositors' funds and insolvency. Safe deposit fraud, cheque fraud, pilfering, loan/credit fraud, and credit and debit card fraud account for them. The ACH (automated clearing house) financial transaction network fraud also adds to other types beyond these identified sources (Adetiloye et al., 2016; Akindele, 2011; Owolabi, 2010).

Identifying operational risk is possible and quite pronounced in this Nigerian banking industry post-consolidation exercise. This could be due to weak controls and retention of some staff whose propensity for fraudulent practices led to un-reconciled issues, non-segregation of active to dormant balances, lack of dual control of strongroom, and non-existence of online bank auditing. In addition, this paper analysed and listed the types of fraud in the banks in Nigeria, including forged cheques, granting unauthorised credits, posting of fictitious credits, fraudulent transfers and withdrawals, cheque defalcation, cash defalcation, loss of money to armed robbers, pilfering/outright theft of cash (Odeleye 2014; Owojori et al. 2011).

Jackson (2013) admitted that fraud activities are based on human intentions based on deception to acquire assets using unlawful means, even as it listed bankruptcy fraud, credit card fraud, security fraud, tax fraud, wired fraud, counterfeiting, pilfering, and loan fraud/scam, the paper listed two significant ways of fraud, namely internal and external. Bribery and corruption, asset misappropriation, accounting fraud, such as accounting manipulation that gives rise to earnings management, fraudulent application, and unauthorised transactions were also identified (Gottschalk, 2010; Owolabi, 2010).

However, the circumstances are wide-ranging to include other types such as data or intellectual property (IP) theft, embezzlement, inside trading, supplying free services or discounts to friends and relatives, whilst those practised by criminals such as hackers, competitors, clients, customers, partners, and other cyber criminals. By extension, these involve kickbacks, phishing, hacking, malware, ransomware, data breaches; false claims or payment of unsupplied/undelivered or insufficient goods and services; and money laundering (Kim, 2013; McQuade III, 2008; Yar, 2013)

However, some scholars' examination of some rogue activities invading firms justified the spread of this menace. The numerous covert attacks on the British HMRC have been identified as internal and external. The external criminals try to gain access to customers' records for the sake of defrauding them, hence identifying them as organised gangs/crime groups. These groups attack HMRC to exploit their weakness and gain access to their customers' personal data, information, and records. These authors further inferred that this illicit method of obtaining customers' data is stealing, as these criminals compromised their identities by utilising self-assessment by a third party who is not a genuine customer of HMRC. Equally identified were the varied means to achieve their obnoxious acts, such as through Vishing, Phishing, Smishing, SSL and Malware (Eskander, 2017; Levi & Burrows, 2008; Tzani-Pepelasi, Nilsson, Lester, Pylarinou, & Ioannou, 2020). Whilst describing the effect of fraud on corporations (including banking) as catastrophic, these academicians argued that asset misappropriation is best identified to play a huge part as the most familiar type of fraud but not discounting the reoccurring financial statement fraud in organisations (Skalak, Golden, Clayton, & Pill, 2011)

This study offers an avenue to examine and analyse the risk positions that fraud in the banking industry tends to play in the operations and how this malpractice affects the shareholders' invested capital and the depositors' funds. Three categories were listed: asset misappropriation, corruption, and financial statement fraud. Asset looting was declared the most common type of fraud, whilst manipulation of financial statements took the most minor position. Nevertheless, the paper identified that manipulation of financial records/statements led to colossal material loss when the two are combined, whilst the least was asset looting (Free & Murphy, 2015; Suhadak, Nawari, & Wardhani, 2022)

Lucidly, Kaur, Sood and Grima (2022) listed four significant kinds of fraud: Customer fraud, Cyber fraud, Asset misappropriation, Bribery and Corruption, but admitted that there is a conflict of understanding on some related terminologies, especially when discussing the difference between fraud and fraud risk but attest that fraud is associated with probability. Extant literature (Hazaea et al. 2023) provides a systematic review of internal auditing in Arab countries and focuses on four key aspects such as the quality and effectiveness of internal auditing (IA), the objectivity and independence of IA, the consequences of IA, and the challenges facing IA as these were designed to give insights and avenues for future investigation in this area of study. Though these scholars admitted a rise in IA research within the last six years, they pointed out that it was focused on the quality of IA and its functions using agency and institutional theory.

3.1.3 Fig. 4. Major fraud and forgeries up to 2007 in Nigerian banks.
The table below shows the frequency, amount involved and expected losses.

General nature of fraud	Frequency of expected loss occurrence	Amount Involved (N'm)	%	N'm	%
General unauthorized loans/overdrafts	25	702.97	11.32	59.15	3.28
Presentation of forged cheques	368	1,759.90	28.33	547.02	30.31
Posting fictitious credit	58	311.10	5.01	88.75	4.92
Loss of money to armed robbers	55	33.87	5.37	296.39	16.42
Fraudulent transfers and withdrawals	309	2382.48	38.36	560.45	31.06
Outright theft	49	188.45	3.03	45.56	2.52
Suppression of cash/cheques	201	532.57	8.57	207.10	11.48
Total	1,065	6,211.34	100.00	1,804.42	100.00

Sourced from: Bank Frauds and Forgeries in Nigeria: A Study of the causes, types, detection & prevention (Oloidi and Ajinaja 2014), IOSR Journal of Economics and Finance, 4(2), 41-50.

3.1.4 Fig. 5. Types/Characteristics of Fraud and Forgeries in the Banks in Nigeria (Third Quarter, 2012)

Types of fraud	Total Number of Cases Reported	Involving Bank Staff Only	Involving Outside Persons Only	Collusion
Tellering Fraud	2 [0.13]	2[1.71]	0[0]	0[0]
Falsification of Accounts: Current/Cheque, Savings/Deposits, Suspense Account	0[0]	0[0]	0[0]	0[0]
Forged Cheques with Forged Signature	79 [5.26]	2 [1.71]	77 [5.58]	0[0]
Printing of Bank Document Illegally	3 [0.20]	1 [0.85]	2 [0.15]	0[0]
Clearing Fraud	0[0]	0[0]	0[0]	0[0]
Computer Fraud	86 [5.73]	1 [0.85]	84 [6.09]	1 [25.0]
Telex Fraud	0[0]	0[0]	0[0]	0[0]
Foreign Exchange Fraud	4 [0.27]	2 [1.71]	2 [0.15]	0[0]
Cross Firing of Cheques and Kite Flying	0[0]	0[0]	0[0]	0[0]
Theft of cash	15 [1.00]	12 [10.26]	2 [0.15]	0 [0]
Suppression of Entries: Cash/Cheque	55 [3.66]	52 [44.44]	3 [0.22]	0[0]
Opening and Operating Fraudulent Loans and Accounts	6 [0.40]	1 [0.85]	5 [0.36]	0[0]
Over – Invoicing of Service to the Bank	1 [0.07]	1 [0.85]	0[0]	0[0]
Robberies [Armed]	13 [0.87]	0 [0]	13 [0.94]	0[0]
Fictitious Bank Branches	0[0]	0[0]	0[0]	0[0]
Miscellaneous and Other Types of Fraud	162 [10.79]	30 [25.64]	131 [9.50]	1 [25.0]
Fraudulent Withdrawals	102 [10.79]	13 [11.11]	87 [6.31]	2 [50.0]
ATM Withdrawals	973 [64.82]	0 [0]	973 [70.56]	0[0]
Total	**1,501**	**117**	**1,379**	**4**

Sourced: Bank Frauds and Forgeries in Nigeria: A Study of the Causes, types, detection & prevention (Oloidi and Ajinaja 2014), IOSR Journal of Economics and Finance, pg. 45,46.

3.1.5 Fig. 6. Chart Showing Bank Fraud in Nigeria.

These 10 out of 36 states in Nigeria account for 87.98% of the total arrests for fraud in 2019.

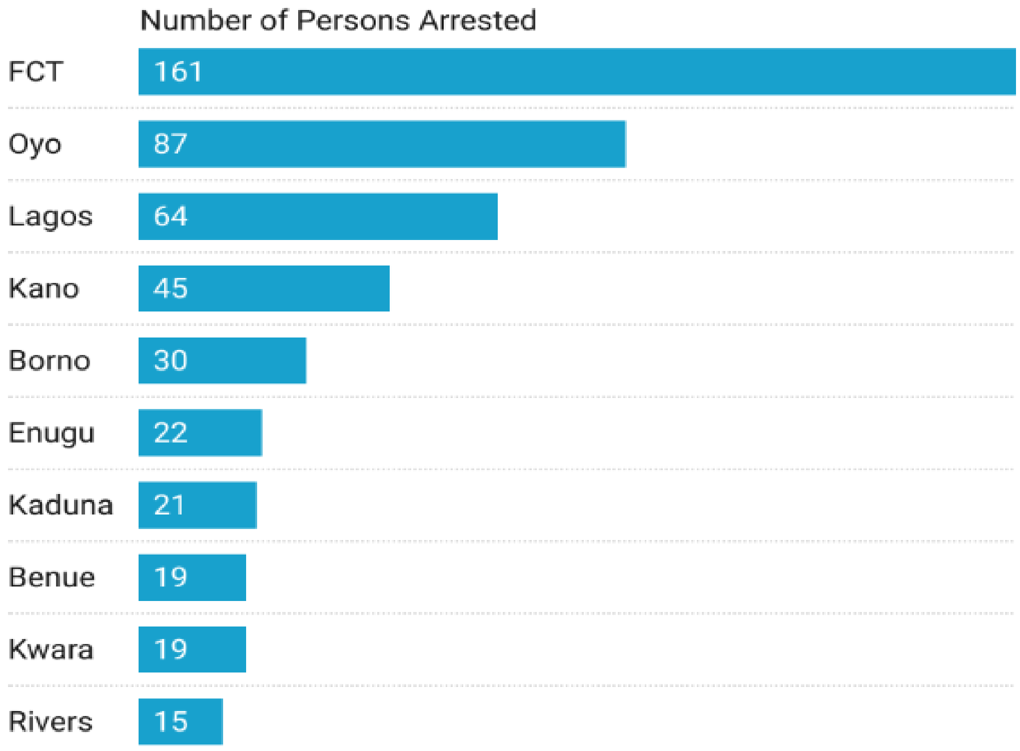


Chart: Dataphyte- Source: National Bureau of Statistics. Created with Datawrapper, 2021.

3.3.2 Corporate Governance and Fraud Mitigation

The concepts of corporate governance and fraud mitigation are critical to this study as they aid in proffering ways of combating this virus (fraud) that has eaten deeply into the fabric of the banks in Nigeria. Paulino da Costa (2017) opined that this topic is supposed to present new challenges facing CG as a discourse and to examine what CG is expected to bring and what it stands to promote. The CG framework is deduced as rules, processes, procedures, and relationships used to direct and control firms. The CG key actors named for fraud control are the BODs, Board Audit Committees, the Management, Internal Controls, Internal Auditors, External Auditors and Fraud Risk Management. Fraud eradication is difficult but can be drastically curbed. Scholars showed in admittance that 36.6% of the fraud cases in the banks and other sectors were overwhelming. However, the papers defined fraud as a voluntary act where one or more people misrepresent facts in financial statements. Fraud was classified into internal (occupational) and external (Mohammed, Sanusi, & Alsudairi, 2017; Z. M. Sanusi, Rameli, & Isa, 2015).

Paulino da Costa (2017) posited that a potentially effective CG can reduce creative accounting and fraud. This argument was based on the Sarbanes-Oxley Act of 2002, which the US Congress endorsed in response to several corporate scandals that rocked high-profile American businesses. Additionally, it was to function as a compliance measure to restore the diminished confidence of the investors. It reflects the understanding that the Sarbanes-Oxley (SOX) Act of 2002, under Section 404, seeks to embellish trust and confidence in investments and deposits. SOX 2002 is a US law that protects shareholders and other investors from corporate fraud through financial reporting (da Costa 2017; Hopkins 2016; Valenti 2008). However, (Awosika 2021) argued that shareholders are often misdescribed as the company owners but that the company law (see Salomon v Salomon & Co Ltd of 1897 AC 22) upheld that company is a different entity from the shareholders hence the directors should owe their allegiance and duties to the companies, only. But admitted that Section 303 of CAMA gave the shareholders the authority to enforce any breach of duty by the directors.

The analysis of the influence of CG on the mitigation of fraudulent financial reporting (FFR) discovered that in 5.5% of cases, signs of FFR may occur as the rate of bankruptcy cases could be about 16.9%, thereby finding earnings manipulation to be about 17.7%. These scholars asserted that, directly or indirectly, corporate governance structure can influence the mitigation of FFR in a firm by reducing the chances of becoming bankrupt or averting manipulation of earnings. They upheld that an effective governance-led BOD can detect and stop fraud from happening (Martins & Ventura Júnior, 2020). Sanusi *et al.* (2015) agreed that the threat of fraud to firms' reputations and stakeholders is massive because of the monetary loss.

However, the narrow contentious arguments in this discourse are distanced from these overviews, which cut across board size (can a smaller or larger size combat fraud better), which gender is better at mitigating fraud, or could it be the frequency of the board's meetings? Or diversity among directors? Or disclosure? Equally, further searches will focus on the board audit committee (BAC) by examining its size and financial ability, amongst other characteristics.

The consequences of abusing accounting techniques to justify financial statements by overly projecting the corporate favourable positions to deceive depositors, investors and other stakeholders led to the recent financial meltdown (Ijewereme, 2020). These pressured the professional bodies, stakeholders, and listed organisations towards upgrading their standard/quality of disclosure.

In a deeper examination of CG and fraud, it is essential to understand that CG favours a larger board size to mitigate fraud. This is because, as the first line of defence against improprieties or any corporate financial and economic issues, it presents effective decision-making that is robust in policies, procedures, practices, and processes. The issue here is based on the board's oversight role that embraces audit, compensation, and nominating. It has been found that instituting good CG in any organisation, including banks, will be a shield to mitigate corporate fraud whilst upholding the board's apex position in a firm (Ezeani et al., 2021; Usman et al, 2022; Albitar, 2015; Gerged et al, 2022; Alwadani et al, 2024(Adegbite 2015).

Some scholars' surveys of the board's size, meeting, and duality against fraud showed that the frequency of board meetings deters fraud in a corporation but has no considerable influence on board size and duality. They concluded, however, that if an increased frequency of board meetings is possible, then the issue of fraud in Malaysia could well be mitigated, and achieving zero corporate fraud policy through CG is possible (Salleh & Othman, 2016).

Beasley (1996) explicitly collaborated from findings that more significant board members with outside director ownership help firms become no-fraud, rather than those with fewer members, and that an audit committee does not significantly stop financial statement fraud. Furthermore, this paper added that 'as outside director ownership in a firm and outside director tenure on the board increase, and as the number of outside directorships in other firms held by outside directors' decreases', the chances of financial statement fraud will be low.

A compelling argument advocated that an enlarged board size has several advantages towards preventing corporate fraud over smaller ones. This is because a board's composition and structure of the oversight committees significantly correlate with cases of fraud in firms but insisted that, with independent directors from outside the board, oversight would be effective, leading to a reduction in fraud (Uzun, Szewczyk, & Varma, 2004;.(Adegbite 2015) Alnajar (2020) concurred that the board's composition is based on non-employees, independent internal and external directors of repute and integrity with authority to ensure effective administrative and monitoring (oversight) responsibilities. These are considered to check management excesses and aid in guaranteeing and enhancing the quality of accounting policies, amongst other issues. This scholar (Alnajar 2021) argued that independent and external auditors could be used to combat fraud, find areas prone to fraud, and strengthen the quality and prompt reporting of monetary and financial misapplications and misappropriations to the board. From the business and financial reports angle, the paper considers the board esteemed in giving coverage assurances of their quality, integrity, and dependability.

Evidence from other scholars (Green, 2005; Persons, 2006; Quoc Trung, 2022; Tricker, 1984; Wang, 2010; (Ezeani et al, 2023; Adegbite, 2015; Albitar, 2015; Albitar, 2015; Ahmed et al, 2023; Ezeani et al, 2021; Gerged, 2022) also showed that larger board composition (size) with the addition of outsiders could effectively mitigate corporate fraud compared to smaller board membership sizes in a firm. It is also a position of contention but essential to the accounting firm because the accounting duty is to mitigate financial misapplications and abuses from occurring or reoccurring in an establishment. Also, the essence of the inclusivity of the outsiders as directors is to function as arbiters in the disagreement between the internal managers and remedy decisions revolving around agency problems (Beasley 1996; Gerged et al. 2022b). This scholar posited that by professional standards, auditors should find porous areas/loopholes where frauds could manifest in an organisation and proffer coverage solutions whilst supplying proof of fraud in financial statements. It was noted that most litigations about financial statement fraud (FSF) have been against auditors. At the same time, it was added that auditors should understand the control environment and have detailed information about the behaviours and actions of the board. However, the paper regretted that some red flag indicators in FSF were left silent because it wanted to avoid disorganising boards' (characteristics) ability to oversee the Management against FSF.

While distinguishing audit from control, a scholar adduced that a thin line exists between them, asserting that audit has specific time-bound duties, unlike control. As an activity, an audit is a specific review program/process adopted by professional accountants to verify an organisation (Albahloul 2003). However, another scholar showed auditing as not a popular subject for researchers in corporate governance as it has been flagged as a 'marketing instrument'; hence, it is viewed as a blanket used to create trust upon the release of financial statements. Examples are Enron and Parmalat, as audited by Arthur Anderson and Deloitte & Touché (Collin et al., 2008). Nevertheless, Leitner *et al.* (2019) posited that, based on the 2007 global financial meltdown, the suboptimal regulatory environment corrupted the auditing process. This study examines board audit committees. Alnajar (2020); Komal et al (2023), Ahmed, (2023) and Usman et al (2023) endorsed the audit committees of the boards for their indispensable and challenging roles in unprofessional practices that encourage fraud, undermining the quality of financial reporting. The work admitted audit is a fundamental part of CG mechanisms designed to check internal issues supportively, as well as being for verification functions to prevent and detect fraud while overseeing all economic and financial dealings inside the firm.

As BODs uphold responsibilities on fraud risk assessment and oversee management fraud and control duties, it has been discovered that managers with vital information have biased attitudes towards liquidation because of greed. Hence, they would want to bribe the auditors to misreport information. These authors also found that both audit and management incentives were dominated by severance pay due to staff. However, they argued that weak external CG strengthens their positions against liquidation and their encouragement of fraudulent accounting. Auditing is not just the checks by outside independent auditors. However, it also includes the cross-checking of details and positions deposited in the corporate account by the independent directors and the internal auditors (Pagano & Immordino, 2012).

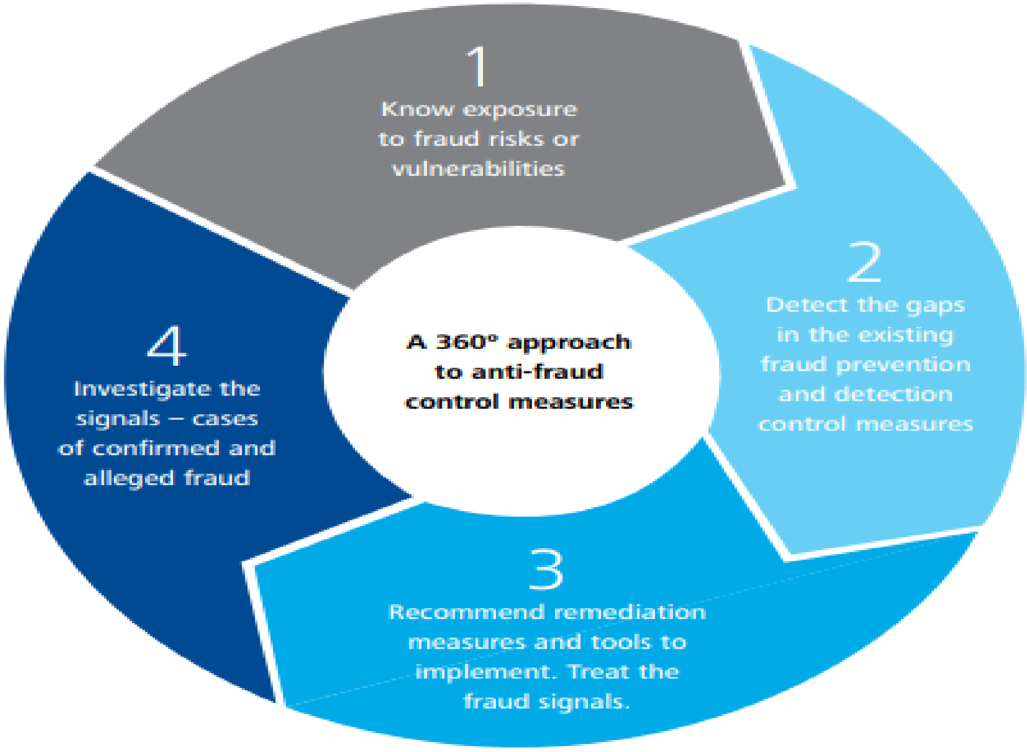
However, the paper advised that to stop fraud; shareholders should choose audit and managerial compensation as their internal governance mechanisms to substitute for their poor protection.

On board independence towards mitigating fraud, there is abundant evidence that independent directors are essential in a firm. Deloitte (2021) posited that independent directors (ID) play a vital role as a mechanism in the detection and prevention of fraud, misconduct, and non-compliance, as well as other fiduciary responsibilities. He recognised that a remote workforce is vulnerable and exposed to cybercrime; hence, ID must re-evaluate all data protection policies on technology and infrastructural solutions, constantly checking fraud and cyber threats. More so, ID must have a speedy crisis management response mechanism and vigilance over financial statement fraud, and it must encourage BAC to integrate a detection mechanism for misconduct and an effective anti-fraud mechanism. Despite this, IDs must push for the endorsement of a periodic agenda to measure risk management systems relating to fraud and encourage whistle-blowers whilst operating on vigilance and prudence.

IDs, vital in mitigating fraud and as part of the apex governance mechanism in a firm (Ijewereme), have been accused of poor knowledge about business, and they do not care much about the shareholders when issues of acquisition or compensation of Management appear. In fair accounting treatment and disclosure, IDs are best suited to protect non-controlling shareholders from controlling shareholders because they are corporate monitors. This is because the legal systems in some nations rely on them for objectivity and fairness in judgement relating to conflict of interests in the principal agency cost problem (Lin 2010). Despite the confidence of interests of the IDs and through available data, it has been exposed that IDs are not immune to corrupt practices as some had been involved in backdating stock options gains. This paper warned on the over-reliance on IDs as exemplified by SOX, which implied that the transfer of the oversight role on the compromised Management had moved to the 'compromised and ill-informed board members' (IDs) (Avci, Schipani, & Seyhun, 2018).

On board gender diversity, three levels of justification were used to assert that the female gender is more dependable than the male-gender constitution of boards in combatting fraud. They opined that it is effective in the operation of moderating fraud frequency in an organisation; that the reaction of the stock market to fraudulent activities is less pronounced when a more gender-diverse board exists; and that, effectively, women on boards are more dependable in mitigating the frequency and seriousness of corporate frauds than a male-dominated board (Cumming, Leung, & Rui, 2015). However, the increased representation of women on the board aids in the speedy detection of frauds and reduction of the propensity of frauds because women are more committed to the maintenance of ethics, as well as being more risk averse than men in leadership in non-state companies than state-owned firms (Y. Wang, Yu, & Gao, 2022). Supporting evidence has powerfully posited that more women representation at the board level can mitigate corporate fraud, as their validations proved a massive reduction of the probability of fraud, hoping their finding would encourage the enhancement of board governance and monitoring (Capezio & Mavisakalyan, 2016). On BOD meetings towards mitigating fraud, the frequency of such apex meetings involving the owner, auditor, and the public could be methods for detecting fresh stages of fraudulent activities in the bank.

3.1.10 Fig. 8. Anti-Fraud Controls



SOURCED: This information is sourced from Deloitte's (2014) Fraud Risk Management, which provides insight into fraud prevention, detection, and response.

3.3.3 Empirical Linkage between Corporate Governance and Fraud

Sanusi *et al.* (2015) vividly adduced a significant link between corporate governance (Pathak PhD et al.) and fraud by stating that CG was designed to provide processes, procedures, and guidelines with principles towards providing adequate control and direction for a firm. These measures can significantly reduce fraud occurrences, just as they would aid a firm's growth and performance in service delivery and encourage shareholders and other stakeholders to have confidence and trust in such firms. Furthermore, Sanusi *et al.* (2015) argued that an effective

CG and fraud prevention program can stop bank employees' (internal) fraud, while effective risk management stops external fraud.

Giraud *et al.* (2022) proved that evidence exists in the relationship between CG characteristics and the manifestation of fraud in a corporate environment. Citing incidences in Malaysia, these authors opined that CG characteristics such as board size and executive directors' compensation could effectively mitigate fraud whilst stating that features of CG such as a board's independence, regular meetings, CEO duality, the age of the CEO, as well as shares owned by directors and CEOs have no profound influence on incidences of frauds in a firm.

Giraud *et al.* (2019) exposed the relationship between fraud and CG by using logistic regression in data analysis and asserting that a link exists between board size and the CEO's age, having significant positive connections towards corporate fraud. Furthermore, weak CG increases corporate fraud scandals and the decline of some corporations such as Adelphia, Royal Ahold, Enron and WorldCom, and the last global fiscal crisis. Unequivocally, these scholars stated that ineffective mechanisms in a corporation signify weak/poor corporate governance via monitoring and controlling, which makes fraud possible. More so, this paper showed links between CG and corporate fraud vide board compositions such as enormous size, frequent board meetings, a small number of independent directors, directors' share ownership, CEO duality role, CEO compensation and CEO age, which could function as motivating factors for fraud in the company (Ijewereme).

Using a bank-based accrual model to calculate the practices of earnings management and with OLS regression for analysis, it has been told that income-increasing earnings management practices exist in India, even as it identified that CG stands for efficiency, transparency, accountability, and fairness in decision-making and controlling processes through the structures of the business. as Also, the duo named the existence of CG structures such BODs, audit committee, independent directors and other administrative committees, owners' participation, and directors' incentives. Quoting Schipper (1989), this paper explained that earnings management is an intentional act through which managers get private gains by altering the financial report; this was seen in Enron, WorldCom, BCCI, and Subprime Mortgage, amongst others. Hence, it proved that CG acts as a measure to control management's inordinate greed to deceive stakeholders by manipulative practices on financial report processes for fraud's sake. GCG (good corporate governance) enhances quality reporting as it means 'good businesses (Kumari & Pattanayak, 2017).

Whilst acknowledging that pressure, opportunity, and rationalisation present themselves in fraud situations, Skousen *et al.* (2009) developed a variable to function as a proxy to measure pressure, opportunity, and rationalisation by using publicly available data. They elucidated that rapid asset growth, increased cash needs, and external financing are linked to the possibility of fraud; the ownership of shares and control of the board also precipitate fraud in the system. Having found that these five pressure proxies have the propensities to cause incidents of financial statement fraud, these writers posited that an increased number of independent audit committee members does not lead to fraud. Furthermore, they state that CG is linked to fraudulent financial reporting and that the incidence of fraud can be associated with weak CG amongst firms with a considerable number of insiders who are board members and a small number of audit committee members. However, fraud cases are reduced when a firm has many outsider board members and more outsider members of the BAC. Importantly, these scholars adduced that fraud could occur when powers are concentrated in the hands of insiders.

Velte (2021), applying an agency-theoretical view, admitted that indications exist that gender diversity in top management reduces the chances of financial misconduct in a company. While distinguishing between earning management and financial misconduct in a firm, he identified financial restatements, fraud events, and enforcement activities as part of financial misconduct that threatened capital markets. More so, this paper used Cressey's (1953) fraud triangle, positing incentives and pressure, attitude or rationalisation, and an opportunity for misconduct. However, it analysed the variables of CG on four levels, namely group, individual, firm, and institutional level, towards providing a link with corporate misconduct. In examining these relationships between CG and financial misconduct, this paper believes this link could be motivated by varied theories such as stakeholders, legitimacy, resource-based, and agency. However, it concluded that, in the future, a firm's financial misconduct can be linked to CRS and compliance management systems.

Findings from Moses (2019) exposed the negative relationship between the board's independence and corporate fraud. A negative link exists between the role of the board audit committee and fraud, but the paper showed a relationship between ownership structure and corporate fraud. It summed up that a higher number of independent board members would make it easier for BODs to mitigate fraud and that audit members' commitment is vital in ensuring CG mitigates corporate fraud, as that is one of the roles the strategy was designed for.

3.4 Strategic Fraud Risk Management (SFRM)

Fraud risk management is an organizationally designed method or approach to develop and identify strategies to mitigate risks that could emerge from any potential or actual corporate fraud cases. It includes detection, investigation, and response to fraud (Hussaini, Bakar, & Yusuf, 2018). Others see fraud risk management as an organised program, procedures, processes, or established ways to evaluate firms' risk profiles. Banks could also use daily-evolving plans to mitigate fraud and other vulnerabilities identified to add material and emotional losses. Fraud-risk management is a strategy designed to prevent potential risks by safeguarding money deposit banks from internal and external risks, either identified or unidentified (Forensic, 2006; Hess & Cottrell Jr, 2016; Sinha, 2021).

Strategic risk could be defined as those foreseen or unforeseen internal or external activities that could drastically affect any corporation from achieving its set goals. Some strategic risks could be operational, technical, or administrative and are usually elevated to 'high-level' risks. Banks are constantly faced with strategic risks due to the nature of their trade, and their business decisions could collapse due to the emergence of such risks. Interestingly, the worth of corporate firms struggling to stay afloat is measured by the strategic risks facing them. However, a strategic means of fraud risk management would have established the need for safety (P. M. Jackson, 2013) and, notably, the need for auditors to reassess areas that are key in their audit activities due to the fast-changing situations in the business climates are needed (Albitar et al. 2020)

3.4.1 Banks and Risk Management

There is evidence that, traditionally, banking was designed to operate branches. This model has accelerated with lightning speed in recent years compared to ages of centuries ago. A key factor for this speed is the growth of technology. This gave the industry the impetus to deliver products and services at break-neck speed and reduced costs by breaking geographical, commercial, and demographic boundaries through electronic banking, such as ATMs and Internet banking channels. As they have benefits, so are their cons (Kondabagil 2007). However, the current global economic climate should be considered for banks to reassess their business strategies towards mitigating fraud. In this opportunity, banks are expected to have effective fraud risk management by adopting practical measures to weaken fraud by stepping ahead of the fraudsters by constantly designing, redesigning, implementing, and periodically maintaining fraud risk management (Hussaini et al., 2018). Irrevocably as it may seem, the menace of fraud in the banking industry has caused lots of upheavals with varied effects leading to financial losses due to thefts, embezzlement, asset stripping, pilfering, credit fraud and multitudes of financial crimes of diverse degrees and forms.

Hess and Cottrell Jr (2016) observed that a quantified monetary term cannot measure fraud because of its catastrophic costs that spread among their victims' emotional tolls, diminishing worker productivity and morale. Hence, the challenges of managing fraud risks include financial strain, rapid growth, and a lack of trained resources and expertise. These issues create windows for fraudulent activities to be perpetuated by the inside and outside elements who take such advantage (Hess & Cottrell Jr, 2016; MARZUKI, MAJID, AZIS, ROSMAN, & ABDULATIFF, 2020).

Fraud risks have been linked to reputational, financial, material, and human loss. These can also be equated to unexpected losses from staff, customers, and criminals. Ogundele (2016) quipped that the Apex Bank acknowledged the importance of risk management and established measures that conform to international standards to regulate it. These measures were designed as guides to the protection of assets, function as compliance tools, and enhance efficiency and performance in the banks.

Earlier in 2007, preventive mechanisms were missing in most corporations because most corporate leaders failed to safeguard their banks with visionary strategic fraud risk management. Hence, they were caught unguarded when the global financial crises erupted (Calandro 2015). After that, it became a rat race for corporate leaders and bodies (at the board level) who were caught up in the underlying fear of any unforeseen eventualities that could implode to cause a collapse of their firms, including banks. This risk management was designed to mitigate risks, strategically monitor the business environment and flow/trend of events, and identify, track and repair weak internal signals that could present future monetary loss in firms they were appointed/elected to protect and perform (Calandro, 2015; Hussaini, Bakar, & Yusuf, 2019).

Some banks in Nigeria have Board Risk Management Committee duties in setting and reviewing the risk policies covering credit risks, reputational risks, operational risks, technological risks, liquidity risks, and other considered risks. Their term of reference covers reviewing and recommending policies covering risk profiles and limits; determining the risk detection, management system and controls; evaluating the internal controls and assurance framework yearly; overseeing management processes to identify risks as well as providing enough risk mitigation mechanisms; to provide preventive, detective and reporting mechanisms. Others include reviewing, recommending and preparing contingencies for the board to decide; reviewing all compliant levels and examining government laws that may affect the risk plans of the bank; periodically scanning the socio-economic and business environment to have updates and plan against emerging risks; and handling issues sent to it by the board (Board Risk Committee, Guaranty Trust Bank, 2023).

3.5 Definition of Corporate Governance

The definition of corporate governance could be rooted in several theoretical views because it is a broad subject. As a vast subject with underlying richness, it emanates from different disciplines such as management, law, finance, and economics. Hence, the concept has interdisciplinary definitions. However, within the global academia and corporate business settings, the issue of an acceptable singular definition of corporate governance has produced a crescendo of concerns, leading to an inundating plethora of definitions that continually appear. The Cadbury Report (1992) defined corporate governance as that *system through which firms are directed and controlled*. Short (1999), Tricker (1984), and Ikpefan and Ojeka (2013) defined it as that which empowers directors to oversee and control the executive management's activities to the satisfaction of all legal expectations relating to accountability and regulation by interests outside its environments.

In all these arguments, it was suggested that CG is an organisational top-bottom structure with procedures of accountability flowing from bottom to up (Fenwick, McCahery, & Vermeulen, 2019). CG is a framework that includes rules, regulations, and practices through which a company runs by adopting accountability, transparency, law, and fairness (Adegbite, 2010; Council & Britain, 2010). It is further argued that corporate governance aids organisations to achieve set compliance and goals and acts as an effective risk control in their daily operations (Rathod 2018). However, Fanta *et al.* (2013) and Nowroz (2018) argued that corporate governance aids in separating control and ownership of publicly quoted companies through the institutionalisation of the BODs. Thus, it reduces discords between shareholders and management and prevents the potential loss of shareholders' funds through fraud and other financial abuses (Fanta, Kemal, & Waka, 2013; Nowroz, 2018).

Though CG is seen as a system and procedure that ensures that executive management governs firms responsibly to avoid issues that stir up agency problems whilst providing that framework or avenues to safeguard organisations from numerous elements of risks and decision-making, it also provides a suitable platform where serious corporate questions are answered (Adegbite, 2010). To understand CG is to understand the essence of flow and the importance of good governance in firms; however, the underlying facts lay the benefits associated with CG, such as the creation of harmony, provision of support for building good behaviours, improvement and guide the decision-making processes; improves capital performance and flow; mitigates varied risks; increases/boost the reputation and respect; attracts investor and other stakeholders. Others include the attraction of skilful directors, increase in the retention of staff, increase in the potency of the internal controls, encouragement of timely and accurate corporate records, enables the adoption of professionals in strategic plannings and oversights, encourages the compliance of laws and regulations; limits conflicts of interests that lead to agency problems, and many others (Adegbite, 2015; Claessens, 2006; Okeahalam & Akinboade, 2003).

3.5.1 Corporate Governance in Nigeria

Conceptually, corporate governance has become a global discourse from the early 1990s to 2009 after the global fiscal crisis (GFC). The exposition of fraud, corruption, and structural decays within Nigeria's business environment led to corporate crises, collapse, mergers, and acquisitions (Musa 2023; Ezeani 2019). Unfortunately, fraud is still prevalent in today's banking industry despite the solutions applied (Salem et al. 2021a; Salem et al. 2022; Salem et al. 2021b). The effects of fraud have affected Nigerian banks and non-financial firms. Empirical evidence shows that fraud perpetuated by the management has affected the returns to shareholders; hence, the need to practice good governance should be encouraged as the duties of the board and audit committee will be reinforced (Sanusi 2010).

However, some scholars (Adegbite & Nakajima, 2011; Okike, 2007) vividly captured the evolution of CG into the Nigerian business fora by using a chronological argument that the emergence of corporate laws and regulations in Nigeria was based on the importation of the Anglo-Saxon model. This importation of the Anglo-Saxon CG model led to its imposition on the natives by the British through the concept of big firms, which were foreign to the native Africans. Britain, in 1886, imported a big firm called the Royal Niger Company under the Imperial Corporate Governance system (Adegbite, 2010; Ahunwan, 2002; Ogbamosa, 2018).

By 1912, the first colonial 'corporate governance' statute appeared and stayed till the country's independence on October 1st, 1960. Ogbamosa (2018) added the appearances of the British Companies' Ordinances of 1922 and the British Company Act of 1948. Furthermore, Nigeria's 1968 Company Act (as copied from the Act of 1948) appeared as a genuine attempt to regulate firms by establishing the CAMA (Company and Allied Matters Acts) of 1990. Section 244 declared shareholders to be the business owners who transferred their powers to the BODs to oversee the management.

The new all-Nigerian leadership evolved the post-independence developmental approach to change imperial control towards establishing economic independence. Ahunwan (2002) exposed some self-independence factors that sought indigenous ownership and control of businesses in Nigeria, such as (a) the areas of the means of production to be controlled by Nigerians, such as power, water, postal and telecommunication services, air, seaports, and shipping; and (b) the promotion of indigenous ownership of business assets by different legislations such as the FX Act (Foreign Exchange Control Act of 1962, and the NEPD (Nigerian Enterprises Promotion Decree No. 4 of 1972. Adegbite (2014) showed that Nigeria adopted four major strategies upon reaching independence in 1960 to strengthen weak board governance, weak executive monitoring and accountability, public-private corruption, and corporate (private) corruption.

Evidence showed that founding families of firms in Nigeria were credited with corporate governance development (Adegbite, 2015; Adegbite & Nakajima, 2011; Adegbite, 2010; Ahunwan, 2002; Yakasai, 2001). Ahunwan (2002) believed the impact of CG was less felt during the indigenisation of corporations in Nigeria. This is because several widespread allegations appeared that some Nigerians circumvent the ownership requirement as demanded by the law by fronting foreigners who indirectly supported control of their economy. Most identifiable areas include the ownership and control structure, management versus shareholders, and government ownership. Amongst the shareholders, the issues between majority and minority shareholders equally affected the foundations of these and future corporate entities in the country.

The seminal work of Yakasai (2001) identified the issues of the relationship and sharing of power as the key variables leading to the institution of CG procedures in Nigeria by arguing that the peculiar and unstructured nature of the Nigerian economy caused the operation, direction and management of most limited liability companies to be in that fashion which is different from modern-day operation and control of firms. Ozili (2020) that CG failures were traceable to a multiplicity of factors, such as the government's lack of political will to enforce laws relating to good governance. The author also pointed out other factors such as the deliberate refusal to encourage good governance, weak internal compliances in companies, poor regulatory activities, conflicting codes in Nigeria’s CG code.

The evolution and the adoption of International Financial Reporting Standards (IFRS) and the International Accounting Standards Board (IASB) in Nigeria contributed to defining and strengthening the accounting standards in Nigeria to conform with the global accounting standards. IFRS is a designed set of accounting rules and processes regarding the collection and presentation of financial reports, which further ensures that future processing of financial reports is globally consistent, reliable, comparable, verifiable, and credible with accounting language. The IASB represents an independent private sector-driven accounting body that operates under the IFRS and carries oversight responsibilities. They identified that both standards belong to the accounting profession with slight differences that explain IAS represents the older/former/earlier version whilst IFRS is the modern/current globally-accepted and adopted version of the accounting standard (Olamide and Ajibade 2016; Adeyemo and Isenmila 2013; Ayuba 2012; Ikpefan and Akande 2012). This extant literature pointed out that IFRS is not only a world-accepted standard but is also principle-based and more robust in coverage and application, even as it applauded its adoption in Nigeria in preparing financial statements, which aid in mitigating fraud/earnings management. It unifies accounting language, which, upon the discovery of accounting, was diverse; hence, the regulation of accounting information would assist in ensuring decision-makers receive the minimum level of information to make meaningful decisions using the financial statement at their disposal.

The earliest accounting practices in Nigeria were done via trade by barter by the locals. However, the formal accounting could be traced to the post-independence era led by the UK-trained Nigerians who, in 1960, formed the Association of Accountants of Nigeria- AAN (presently the Institute of Chartered Accountants of Nigeria) but received a licence in 1965. To regulate the accountant's activities, including ICAN, the Federal Government of Nigeria established a federal/government body- the National Accounting Standard of Nigeria (Olamide and Ajibade 2016; Ajao et al. 2016). Exploring the development of standards relating to the accounting profession, (Adeyemo and Isenmila 2013) acknowledged that IASB set and defined the earliest accounting standard interpretations jointly identified as the IFRS, with which Nigeria is presently identified. Furthermore, whilst noting the existence of several accounting standards, (Ayuba 2012) expressed that Nigeria's adoption of IFRS was a milestone for the country to join the globally accepted standard but was dismayed that IFRS was imposed; hence, the government should have offered the accounting professionals the opportunity, considering the environment and weighing in the comparability or consistency of corporate financial reporting, chose either the IFRS or the Nigerian GAAP. By acknowledging the accounting framework provided by IFRS and IASB, the IFRS is an embraced financial reporting standard in Europe and most parts of the world because it is accepted as a uniform and consistent accounting principle (Ikpefan and Akande, deduced that IFRS is moving towards GAAT. These authors admitted having difficulty in the management accounting conversion process since adopting IFRS. However, they pointed out that accounting is the language in business, whilst financial reporting is the platform on which the language (accounting) is communicated. However, using GAAT- Generally Accepted Accounting Principle is mandatory for their regulation.

3.5.2 The Inherent Challenges Facing Corporate Governance in the Nigerian Banking Industry.

A position has said that good corporate governance provides the roadmap for accountability, disclosure, transparency, and corporate harmony. While reflecting on issues and challenges within the Nigerian banking corporate governance during the pre-consolidation period, these scholars noted that lack of information, fraud, neglect of compliance mechanisms and advice and non-adherence to limits of authority towards set goals were paramount in the system. These attributes were missing in the Nigerian banking industry before the pre-capitalization period (M. Amupitan Moses Dare, 2015). Okike & Adegbite (2012) showed that the centre of governance issues in Nigeria had been corruption, which the directors and managers of banks mostly perpetuated. Hence, it became one of the core reasons for bank failures in Nigeria.

Tatnall (2011) traced challenges that beset the CG reforms and banking in Nigeria from the establishment of the Corporate and Allied Matters Act of 1990, the introduction of the 2003 Security and Exchange Commission Code of Best Practices in CG to the CBN 2006 Code of CG for banks in Nigeria. This editor found challenges rooted in the country's corrupt attitudes, political patronages, weak regulatory frameworks, and poor regulatory supervision by government agencies.

Ogbamosa (2018) reflected that the exposure of the fraudulent Cadbury Nigeria PLC's bank account overstatement in 2007 affected the banking industry and the nation's economy. Amupitan (2015) deduced that similar doctored financial statements from the banks attracted misplaced approvals from the IMF, even when the Nigerian banking industry was troubled. Poor institutional quality and political uncertainty in Nigeria have led to massive internal crises such as rising fraud incidences, abuses of funds such as loans and other advances, high rates of corruption, poor corporate governance and extensive 'cooking of books,' amongst others. Previous studies suggest that poor institutional environment and uncertain political climate hurt firms (Kwabi et al. 2022; Obenpong Kwabi et al. 2022; Obenpong Kwabi et al. 2023). Tatnall (2011) also observed that setting out best practices for the banks in Nigeria through the establishment of codes relating to the CAM Act (1990), SEC (2003), and CBN (2006) have yet to douse issues in the system. Tatnall (2011) was alarmed that the shocking scandals in the country's organised private sectors have defiled every legal and regulatory framework from the mid-90s to the late 1990s. The paper traced the falsification of Cadbury Nigeria PLC by its directors to the sacking of the BODs of eight banks under the Economic Confidential Act of 2009 due to abuse of funds and insider dealing. It posited that these scandals were challenges to CG reform mechanisms in the country.

Reflecting deeper on the traditional approach where banks' CG framework is driven by regulators who use statutory standards and powers to encourage investors, the Central Bank (2014) document emphasised, during post-bank consolidation, that the merged banks would gain more by applying the CG framework. The document envisaged this would emanate through quality decisions, greater competition, safety, stability, robustness, and local and international confidence in the sector. This regulator applied restriction mechanisms on lending through legal, holding, and prudential guidelines.

Mamoon et al. (2024) argue that independent central bank will ensure good governance of financial institutions. Despite the regulators' application of mechanisms to uphold good governance in the banking industry, Adegbite (2015) declared that the same result achieved in developed nations is difficult to achieve in Nigeria due to bank-level governance issues. For instance, the findings on the banking crisis have exposed poor CG practices and laxity within its credit administration (Garuba & Otomewo, 2015). Tatnall (2011) acknowledged that CG mechanisms do not translate to good CG because scandalous activities have proven that fact globally. The codes can effectively achieve their goal when direct commitment is shown; otherwise, the principles of CG would end in futility. Furthermore, the paper used an SEC survey to justify this argument, which exposed 40% of Nigerian quoted firms adopting the code but not practising transparency, accountability, integrity, social responsibility, and environmental sustainability.

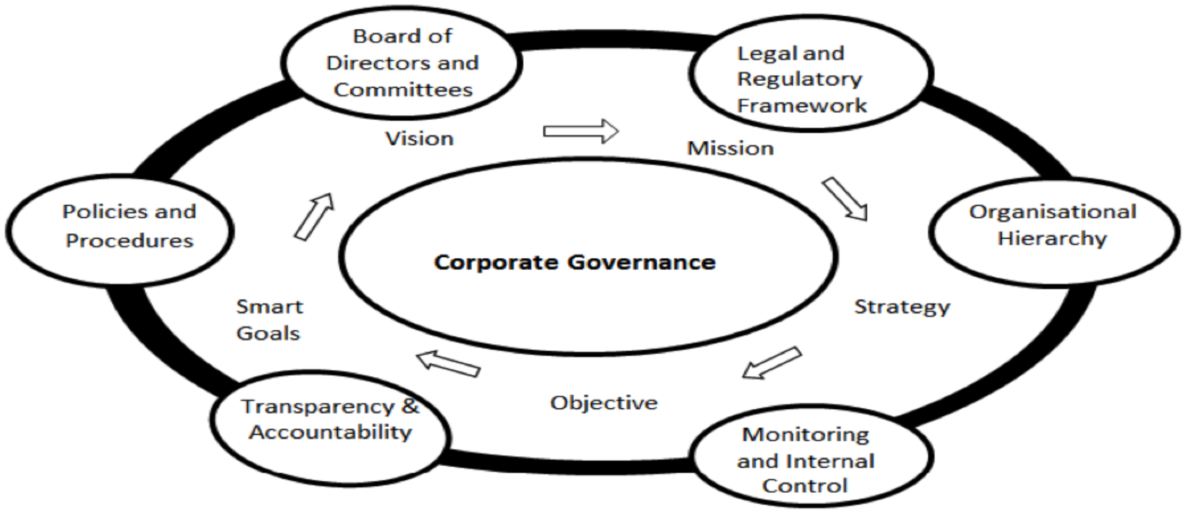
Other issues relating to the recapitalisation of banks were neglect and poor corporate governance mechanisms. Ogbamosa (2018) listed some issues and challenges in the banks as corruption, the ownership structure of businesses, the political environment, lack of proper regulatory and enforcement mechanisms, poverty, lack of observance of the rule of law, ignorance of minority shareholders, foreign CG structure, making CG responsible alongside independent and efficient judiciary. Also, unification and enforcement of CG codes, protection of private capital, and good public governance were named.

On matters leading to bank distress, the manifestation of lack of risk management, weak internal compliance, insider abuses, frauds, rampant and abnormal risk takings, disregard for lending processes and absence of limits of authority were found. Other challenges faced during the consolidation process 2006 were issues relating to corporate culture, integration processes, and information technology. These showed why most mergers failed because of unsuccessful integration of personnel and systems and irreconcilable differences leading to disharmony, acrimony and factions between BODs and management, which would polarise any firm.

Again, the considerable number of weak banks created confusion in the industry because their failed corporate governance mechanisms, insolvency, misconduct, illiquidity, non-performance loans, falsification of returns, and under-capitalization remained unchecked. This paper further pointed to the unethical practices by banks who, unprofessionally, used their female staff to win customers by adopting 'sex for an account' as part of the problems in the industry (Hasan, 2009; Garuba & Otomewo, 2015; Amupitan, 2015; Ogbamosa, 2018).

On setting and implementing several codes for good governance, Tatnall (2011) admitted that several codes were set up by self-regulatory professional bodies with the government's approval. However, the responsibility for implementing them lies with the banks' BODs. Amupitan (2015) posited that a practical CG framework in the banks would aid in the setting up of corporate goals, plans to generate returns for the investors, operational management of the firms, protection of shareholders' rights, setting up and upholding compliance mechanisms, protection of regulatory laws, and protection of interests of depositors.

3.3.3 Fig. 10. Corporate Governance Structure and Processes



Design sourced from Asogwa (2016)

3.6 Mechanisms of Corporate Governance and Practices

Earlier studies suggest that the mechanisms of the corporate governance framework include the Board of Directors (Ezeani et al. 2021b; Ezeani et al. 2022a; Usman et al. 2022b; Usman et al. 2022e; Albitar 2015b). Extant literature document evidence of the impact of board's composition, such as size, board gender diversity (Ezeani et al. 2023b; Komal et al. 2023; Ezeani et al. 2021b), insider and outsider directors, as well as its committees involving audit, reward, and nomination (Komal et al. 2021; Salem et al. 2021a; Usman et al. 2022a; Tan et al. 2022).

Ezeani et al. (2023a) argue that using a good CG framework should minimise or, at best, mitigate agency cost, improve meritocracy in boardrooms, reduce risks of fraud, and safeguard the wealth of shareholders whilst guaranteeing trust and confidence for the depositors and other stakeholders.

3.6.1 Board of Directors (BODs)

Previous studies suggest identifying channels to restore the confidence and trust of the investors and other stakeholders in the business polity (Kwabi et al. 2024a; Kwabi et al. 2024b). Strategically, corporate governance and the internal governance mechanism of corporations can only be discussed with the BODs (Usman et al. 2022e). They are the separation and balancing unit between the owners and the agents/managers. The BODs have the entire responsibility relating to the governance of the banks/corporations as they are responsible to the shareholders by creating and delivering sustainable value through adequate management supervision (Ezeani et al. 2021b). Previous studies suggest that corporate governance will mitigate earnings management in the banking sector (Salem et al. 2021a; Salem et al. 2021b; Salem et al. 2023). These responsibilities, therefore, act as the stabilising power for the existence of relational harmony and effective governance and oversee all corporate activities (Komal et al. 2021; Ezeani et al. 2021b; Ezeani et al. 2022a; Usman et al. 2022b; Usman et al. 2022e). They have also extensively discussed the BOD's role within the CG framework's scope in businesses.

Fama (1983) argued that, by law, the BODs are the governing body of corporate businesses and are concerned with many issues regarding creating values and making returns to the investors (shareholders). Corporate governance literature suggests that the making of strategic decisions and control are the critical duties of the BODs. These strategic characteristic studies show that board gender diversity, age, professional qualification, experience, and independence influence the performance of firms (Komal et al. 2021; Komal et al. 2023; Usman et al. 2022e; Albitar 2015b). Whilst using agency theory, Usman et al. (2022b) and Owusu et al. (2022) suggest the importance of CG in mitigating agency conflicts in corporations.

The board composition should comprise seasoned professionals in diverse fields but with a greater understanding of banking. They should be people with the ability and capacity to drive the bank with values in the right direction, even as they know the CG framework. They should also have independent judgements, appropriate skills and knowledge, and balanced experience for an effective board to supervise and maintain harmony with the executive's management (Yakasai 2001). It added that having such knowledgeable directors would be beneficial to the bank in preventing abuse of powers, encouraging robust appointment and enhanced plans for rigorous succession in future, and having influential directors with the ability to scrutinise information and apply diction in their constructive challenge of the management's view, directors that could make beneficially-robust decisions that would propel the bank in this ever-challenging environment (Green, 2005, Iskander, 2000)

3.6.2 Board Characteristics

Previous research has described the board as teams whose share characteristics are likened to other teams, even as the board qualities are seen as factors capable of propelling its effectiveness in firms (Ezeani et al. 2021b; Usman et al. 2022c). Previous have examined the impact of board characteristics such as size, independence, board diversity (along cultural and gender lines), and number of board meetings on organisational outcomes (Musa 2023; Anderson et al. 2004). Evidence showed the existence of a linkage between the BODs characteristics and the performance of firms (Ezeani et al. 2023b; Anderson et al. 2004; Usman et al. 2022c)

However, scholarly findings in the recent corporate governance reforms exposed the fact that a more significant number of independent directors are required on the BOD of firms, as well as improvement in CG toward disallowing individuals from holding both the CEO and the Chairperson of the board, respectively, at the same time (Persons 2006). More so, this empirical study using logit regression analysis to spot CG characteristics with the potential to lower the chances of non-reporting fraud posited that the possibility of non-reporting fraud could be reduced based on the following variables/conditions such as if the independent directors increase within the BODs, no CEO duality, BOD size should be smaller, increase in the CEO tenure in the board, and high performance in profit.

Examining the corporate board and capital structure dynamics, some scholars (Ezeani et al., 2023) did a comparative study of critical European country-firms that operate corporate governance, namely the UK that adopts the shareholder system, and those that adopt the stakeholder system in France and Germany. They argued that between 2009 and 2018, the corporate board's composition was relevant in the listed environment where both the shareholder's and stakeholders' systems thrived whilst nothing of its usefulness in mitigating agency conflict to provide stability. In arriving at their positions, these writers evaluated their hypothesis by using SOA (speed of adjustment), board gender diversity, board independence, board size, board meetings,

While reviewing the BOD characteristics, institutional ownership, and fraud in Australia, a scholar posited that a regulatory report identified that the monitoring role of the BODs should be strengthened with greater independence for the directors and maintaining a no-duality system or status. It discovered that the increase in the percentage of independent institutional ownership and independent directors aids in the reduction of fraud, whilst a positive response was uncovered linking CEO duality and the likelihood of fraud in a corporation (Sharma 2004). An empirical examination of the UK non-financial firms upheld that the mechanisms of the board composite elements have strong effects in mitigating such criminalities in some UK firms. It exposed the existence of a non-linear link between the board characteristics and discretionary accrual as it evidenced positive proofs upholding the importance of the characteristic mechanisms of the board. The scholars (Usman, Nwachukwu, & Ezeani, 2022b) argued that board size, board gender diversity, board tenure, board independence, CEO duality and board meetings are essential and influential in combating fraudulent practices traced to earnings manipulation in firms with more excellent discretionary accruals (DACC) than those with lower and medium levels of DACC. Its recommendation encouraged UK corporate policymakers to re-examine their board compositions to understand how the elements can be applied to achieve desired results in strengthening the quality of their financial reports.

However, some scholarly studies have exposed critical insights that have identified independence as a key mechanism or element for the existence of any BOD. Ahunwan (2003) and Adegbite (2015) posited further that BODs' independence revolves around objective scrutiny through their oversight function in management. The effect of BOD characteristics and compositions and earnings management were argued based on the declaration that the effect of institutional directors holding the duality of the CEO does not influence fraud before independent directors and auditors act in Taiwan.

However, it insisted that an institutional director holding the duality of the board chair and CEO has a marked influence on fraud. This paper added that the discretionary working capital accrual after the act has negatively influenced fraud. Also, after the act of the independent directors and auditors, evidence showed that the independent director holdings and the discretionary accrual interaction have a positive influence on fraud. The authors were amazed at the impact that the promotion of CG in Taiwan has had; its impact has been shown in increasing independent director holdings encouraging the discretionary accrual influence on fraud (Y.-H. Wang, Chuang, & Lee, 2010).

There is convincing evidence that, in financial reporting, earnings management (otherwise referred to as the manipulation of the profit and loss figures) always occurs in a corporation's financial statements. Stakeholders tracked the managers and made decisions based on earnings performance because they needed help to watch the firm distribute resources. Furthermore, the manager tried to find a way to avoid lousy reporting by blaming their inefficiencies on carelessness while using earnings management techniques to tamper with their financial statement to make it impressive. This attitude has replaced the objective and sound financial reporting, thus raising fraudulent activities within corporations (Wang *et al.*, 2011).

Several studies have shown that, for independent members of corporate boards, it is essential to mitigate earnings management and other fraudulent activities in corporations. Deloitte

(2021) and some scholars' arguments discuss how independent board members can mitigate fraud. Finding independent directors' roles within a corporation gives an insight into their effectiveness, importance, and the need to have them amongst corporate BODs. Further roles include.

- the provision of unbiased suggestions and advice or judgements,
- evaluating the ability of the board,
- Make sure that CGF is adhered to and monitor the areas where conflicts of interest may appear.

The authors deduced that to protect firms against fraud, independent directors (IDs) should recognise that they must remain vigilant and act with prudence in their ability. Furthermore, the board having a more considerable number of independent directors would effectively mitigate fraud, mismanagement, and loopholes in CG while also protecting the shareholders against the managers' earnings management techniques. This will reduce or end agency problems and conflict between the principal and agent. The paper recommended that independent directors be wary of the role of technology, whose positive impacts enhanced business efficiencies but also created openings for fraud (Usman et al. 2022c). However, the writers offered insights for the IDs on fraud, misconduct, non-compliance, and fiduciary duties whilst listing some roles to include the oversight of fraud detection and prevention mechanisms. Responsible, independent directors aid in better strategic decisions by providing leadership skills and being focused, incorruptible, and result-oriented. The more outside independent members who will enhance governance processes through visionary practices, accountability and discipline, the more quality is added to the board (Busirin, Azmi, & Zakaria, 2015; Lin, 2010; Usman, Nwachukwu et al., 2022a)

Regarding another similar area, the board's independence towards monitoring earnings manipulation is significant in that, by having an independent majority, there is the expectation that they will protect and consider the shareholders first in their dealings and reduce disharmony between the shareholders and the management. The board's independence in ensuring the combat of fraud based on earnings management must also manifest in their duties to check the management effectively. Indeed, their study showed that boards' independence with more independent directors (such as independent non-executive directors) have a greater chance of mitigating firm earnings manipulations. Equally, these scholars extended their arguments by saying that the independent non-executive directors in the corporations would also effectively aid other statutory bodies as reinforcement in the composition of BODs. That is one of the prime reasons to have a good CG, wherein an effective board (the pivotal point) with oversight responsibility would prevail against earnings manipulation. The board's prime responsibilities are care, obedience, and loyalty to the shareholders. (Jensen & Meckling, 1976; Ahunwan, 2003; Busirin *et al.*, 2015; Usman *et al*., 2022).

Several questions resonated on the 'exact size' or 'right size' for a firm's board to be effective against management's opportunistic tendencies. Evidence proved that, with a large board, different skill sets abound to help them effectively check the management. However, when there are a substantial number of members on the board, there may be coordination issues. Studies suggest that smaller boards are more effective and can be coordinated effectively, better and in productive manners than having a larger board composition. Hence, firms with fewer board members outperform others with more members, as they reap greater rewards for the shareholders, foster more profound debates, have more nimble decision-making, have more oversight of management, more effectiveness, and are more likely to dismiss the CEO over productivity issues; are more decisive, cohesive and direct; and have more time for in-depth discussions (Lublin 2014). This author recommended a size of five to seven directors on the board in an organisation.

Empirical evidence showed that issues of importance in firms with more board members (size) are that they always have more agency-related costs, such as higher communication costs, coordination issues, free-riding and the need to perform better. In contrast, firms with smaller boards reduce costs, better weigh the advantages and disadvantages of agency issues, and achieve the goals of improving the board's efficiency (Yan, Hui, & Xin, 2021).

Other opinions added that the separation of ownership and control often leads to agency problems because of conflicts of interest involving the directors and managers. More so, agency issues in CG, such as relationships, evoke another problem on the condition of the contract. However, the paper pointed out that the CG is designed to solve agency issues as the BOD is a vital part of the CG structure. So, the board's size, composition and diversity should maintain its efficiency. Examining the issue of board size and its importance, Suhadak et al. (2022) argued that a giant board and an audit committee strongly influence combating fraudulent activities in banks. These scholars further posit that a significant level of independence and quality of the board and the quality of the internal audit functions can aid in suppressing financial criminalities existing in the banks. These explained that an enlarged board is more effective than smaller boards; hence, its oversight roles would be more effective. Other papers inferred that a giant board also has some advantages, such as ensuring that non-executive directors can supervise the managers better and that large boards have many skilled professionals from diverse backgrounds. These works of literature document that companies with large BODs always have low performance; the definition of the size of BODs is the aggregate number of directors on the board. An acceptable board should have both executive and non-executive members to oversee the strategic issues of the firm (Beasley, 1996; Ezeani, Salem, Kwabi, Boutaine, & Komal, 2021; Lublin, 2014; Salleh & Othman, 2016; Uzun et al., 2004).

Jensen and Meckling (1976) posited that managers and the controlling owners could influence the firm's financial outcome by downgrading the quality reports to hide their opportunistic attitudes. Their negative desire to cover poor performances and control from outsiders through earnings management techniques could be possible if the monitoring devices or mechanisms show poor CG and weak financial controls in the system. In areas where the merging of the roles and functions of the CEO and the Chairperson (in duality) occurs, dictatorial tendencies are bound to be experienced. This is because the abuse, accrual, or obsession of powers by one occupying the positions of the chairperson of BOD and the CEO simultaneously in a business entity often leads to the growth of a tyrant.

An effective separation of powers is necessary to avoid this harsh parochial dominance by such a single being and maintain good CG. This creates the need for the BODs' Independence, which should be protected. However, it has also been discovered that most retired CEOs (Chief Executive Officers) in Nigerian corporate establishments have decided to become the Chairpersons of the BOD of the same firm they left. Ahunwan (2003), Adegbite (2015), and Ogundele et al. (2016) argued that this transmutation has weakened the growth of CG in many establishments. It encourages appendages to exist as 'godfatherism', discouraging true board independence. Retrospectively, these structural failures inherent in the CG system, such as cross-directorships, explain that reward and power are the propelling factors for such accession or transmutation. Based on that, Ahunwan (2003) suggested that the only way to achieve an independent board is to have a dispersed share ownership.

Acknowledging the importance of the convergence of a mixture of diversity in ethnicity, different age brackets and human capital as credible parameters towards becoming a member of the BOD, as required by SEC and the CBN Code, Adegbite (2015) stresses the importance of credibility, which should be overseen by an external auditor, towards assessing and appraising the true independence of the performance of the BODs, management, and the firm.

However, evidence exposed that Nigeria's corrupt environment makes it impracticable for a practical board evaluation to be realised. The corrupt attitude of the executive influencing the board has not gone unnoticed (Adegbite, 2015; Bassett, 1998).

A critical examination of the characteristics of the BODs of corporations explains the inherent mix of elements that combine to form this apex nomenclature. Davis (2000) enlisted three critical challenges in firms' relationships:

- the management vs the shareholders
- the majority shareholders vs the minority shareholders
- the company's controller (manager or majority shareholders) vs non-shareholder stakeholders

The paper proposed effective and organised board rules (composition, structure, duties, and powers) which can be used to address these issues. The danger of the board addressing more than a single agency problem could expose the board's ineffectiveness in solving others. At the same time, CG is designed to strengthen the board in resolving the principal vs the agent; it has created bodies of law instead of one.

Ezeani *et al.* (2021) produced a robust result for the accounting profession in examining the board monitoring and capital structure dynamics by adopting a stakeholder-oriented system, using the panel data of 3927 firm-year observations for a year gap (2009-2019). These scholars noted that the board characteristic impacts the speed of adjustment on the capital structure of companies in countries such as Germany, Japan, and France, concluding that the firms' capital structure could depend on the type of CG in their domain societies. Their studies showed that the impact of board characteristics on firms' capital structures differs in some countries. Still, gender diversity is related in some countries, such as Germany and France, but there is no linkage with Japanese firms. Also, they found that outside directors and board meetings have positive links in Japan, unlike in other countries. However, the size of the boards in each of these nations' firms is within the same range of numbers in the countries, even when book leverage is used on the capital structure of proxy firms as an alternative. These writers further discovered that the board characteristics on the market leverage are oppositely related to the market leverages of Germany, France, and Japan. Whilst the outside directors and board meetings are related amongst the nations, gender diversity is different in Japan, unlike Germany and France.

Regarding the board structure, Magrus (2012) posited that the size, composition, independence, and separation of the board's chair and CEO are essential to the effectiveness of any board in any firm. Furthermore, it is essential to have expertise in different committees, such as audit, nomination, and compensation, whilst listing three categories of directors: executive/operational, outside, and independent directors. Of these categories, the paper encouraged the need for more independent directors whose expertise and experiences could contribute towards solving agency issues.

However, Rad (2014) admitted that distinctive characteristics exist in different countries; hence, different recommendations are made. Rad deduced that, in larger companies, higher levels of control are much needed to guide them but posited that both large and small BODs can find a common ground to control their costs.

CG results from stakeholder relationships and interactions in the best corporate structure scenario. However, when issues of costs appear, it should reduce institutional costs from clashing with diverging interests in an enterprise labelled as a 'black box.' (Nestor & Thompson, 2001).

Rad (2014) inferred that firms should control their costs for the benefit of the shareholders. However, the OECD recorded disappointment with the last fiscal crisis, which exposed severe flaws within CG because the framework did not rise to the occasion using the existing standard of checks and balances. Based on this, the paper surmised that good CG is an antidote for corporate failures and increased shareholder stakes. At the same time, continuous monitoring and updating will forestall fraud and opportunist behaviours. Thus, it enlisted the following as guidelines: ethical standards for the directors alongside board composition and performance where independence, skill, knowledge, experience, and perspectives exist for an effective board.

It is recommended that the board committee should be applied for effectiveness and efficiency in areas of oversights; that boards' insistence on integrity should be *sine qua non* when time and balancing of disclosure are concerned in financial reporting; that fairness, transparency and reasonability should be applied in areas of directors and management reward. referred to as corporate governance (Suhadak et al., 2022)

3.6.3 Board of Directors Duties and Responsibilities

There are several responsibilities/duties/functions assigned to the BODs. Primarily, the board is to mitigate the agency problem (such as fraud), especially in the absence of the owner(s), and this prevention depends on the substances of people populating the board. However, the crucial role of the board is targeted towards reducing defalcation, malfeasance, self-dealing, and other activities that could cause the company not to achieve set targets. In firms, the board is seen as an effective gatekeeper (Murphy & McIntyre, 2007). An explanation relating the Agency theory, the BODs, and the ACs towards corporate fraud is in economics, law, management, and accounting. Fraudulent financial reporting where illicit activities of the opportunist agents/managers against the shareholders/principals' interest abound. The board with audit represents and protects the principal's interest because the illicit acts of the opportunistic agents ran against their contracts, which form the basis of their recruitment (Ali 2020a). The principal/shareholder is the firm's owner who employed the manager/agent through a contractual agreement to run the firm on their behalf. (Jensen and Meckling 2019; Fama and Jensen 1983)

While acting as this bridge against agency issues, it is noted, as shown in Anglo-Saxon literature, that the emergence of the institution of BODs is traceable to shareholders' appointment of chosen persons to represent them in the company's affairs. Therefore, the board sits at the apex of the organisation's strategic decision and control, saddled with the responsibility of standing for the investors in overseeing the activities of the executive management. These monitoring aspects ensured that rights and profit maximisation gained for the shareholders are fully protected in the firm through the direct control and delegation of supervisory roles to its subcommittees. These scholars further listed the nature of the structures within the BODs to capture the single-tier board (practised in the USA, Nigeria, the UK, and others) as well as the two-tier board commonly found in most European nations (Ahunwan, 2003; Adegbite, 2015; Ogundele *et al.*, 2016; Usman *et al.*, 2022).

Nevertheless, previous studies found two models of boards: the unitary and the two-tier board. In the USA, UK, and some other countries, the unitary system of BODs exists with inherent executives and non-executive board members. This model differs from the two-tier board, which has two boards: executive and non-executive management. They further asserted that the separation of management and control of firms lightens the firm's weight in controlling agency costs. This is because the board monitors and controls the management's decisions while management implements the decisions. If there are poor management results, the board fires the manager and replaces them with another (Afkhami Rad, 2014a; Hatrash, 2018; Lee, 2013; Solomon, 2020; R. Tricker, 2012).

Their responsibilities also spread towards establishing the governing and guiding policies used in the bank's daily operations. Moreover, the boards are tasked to review and approve those policies periodically and at relevant times suited to them. This is because those policies are designed to protect the banks from risks as well as to enhance prudence in the management of those risks whilst creating value for the shareholders (Murphy & McIntyre, 2007)

Previous studies enumerated that the duties/responsibilities and obligations of the BODs differ between nations and corporations. For example, the protection of minority shareholders in Western nations (the US and the UK) is sacrosanct, while in Germany and Austria, the maximisation of stakeholders' wealth is upheld (Magrus 2012).

The BODs' expected obligations include the execution of oversight responsibilities of the management by monitoring and evaluating the implementation of processes and control practices; protecting shareholders' interests; developing corporate strategy; accounting for corporate operations and performances; application of discretion on the firm's short- and long-term interests; increasing accountability and sustainability risks; and other legal obligations as allowed. BODs also provide the other essentials that address the business and circumstantial needs of the firm vide the provision of proper skills, diversity, and structural guidance of the boardroom matched with experiences are critical towards ensuring the practice of practical CG principles in the firm (Fama & Jensen, 1983; Bassett, 1998; Ahunwan, 2003; Solomon, 2007; Adegbite, 2010 & 2015).

Magnus (2012) quipped that in showing loyalty, directors are also expected not to be on two boards of different companies to avoid any conflict of interest in decision-making and to desist from self-promotion. More so, they should conduct the interest of all stakeholders in advancing their roles by the application of knowledge and due diligence in the screening and choice of contractors for projects, making sure that the interests of the shareholders conform with the managers to avoid agency conflicts/problems between the principal and the agent, provision of advice to management, and the encouragement of CG dictums in companies.

Indeed, no single governance structure can suit companies because periods are determinant factors that engineer events in a firm towards the occurrence of changes. Most empirical studies based their arguments on the essence of governance structures in corporations (Afkhami Rad, 2014a; Rad, 2014).

Rad (2014) upheld that CG positively affects the quality of firms based on political stability, voice and accountability, government effectiveness, the rule of law and corruption control, and the quality of regulation. These could be achieved using varied characteristics such as the level of shareholders' control, level of ownership, shareholders' personality, board accountability, the legal and regulatory environment and market competition. Furthermore, firms have distinctive characteristics because the market-based systems recognise the rights of minority shareholders as against the concentrated ownership structure in the banking system.

3.6.4 Audit Committee (AC)

Extant literature has posited that BODs are the most strategic mechanism in corporate governance between the owners and agents, following their duty to uphold corporate harmony. Even as they recruit and dismiss the CEOs, BODs ensure that investment is productive. However, empirical studies admit that committees exist within the board, including the audit committee (Afkhami, 2014; Fama & Jenson, 2003; Lee, 2013; Hatrash, 2022).

Ugwulali (2019) argued that as a unit in the BODs, the audit committees are often caught in crossfires over debates to resolve critical problems frequently created by the contract between the principal and the agent. The author traced the downfall of most high-profile organisations (including banks) such as Enron, Lehman Brothers, Baring Bank, and All States Trust Bank, amongst others, to this relationship. Salem et al. (2021) posited that the crash of Lehman Brothers hinged on poor financial reporting quality that was used to deceive the stakeholders, which made them commit to inaccurate decisions. Hence, traceable to agency asymmetric information- insufficiency of the information disclosed to the principal and other stakeholders of the business.

According to the Financial Reporting Council (FRC, 2012), the audit committees are expected to fully exercise their oversight-actionable rights towards improving the reporting and accounting standards of their banks, which would ensure the protection of the investors' funds, having control of their budgets, and ensuring that the external auditors protect the shareholders' investments. Their effectiveness is reduced when the annual financial statements are out. However, Adegbite (2015) explained that to avoid the abuse of the regulatory injunction, board audit committees should be independent but noted that this had not been adopted. The paper discovered that the provision has constantly been abused and that the overbearing influences of family ownership, applying their traditional role of appointing the majority of board members, persist; hence, the oversight and independent functions are unilaterally abused. However, a way out was postulated for a healthy combination of BODs that may or may not be linked to the shareholders and the management.

3.6.5 Audit Committee Quality

The implementation of good governance, as postulated in the framework of the code, has been the bane of several firms in Nigeria, including banks. However, for the country to be accepted as a respectable player within the global sphere, she must readdress CG issues by ensuring that her modern corporation plays by the rules in the new business dispensation (Okike 2007). An audit committee is a functional subset of the Board of Directors responsible for the oversight of financial statements and reporting of banks in Nigeria whose members are versed in finance, banking, accounting, and other related studies and are expected to produce accurate and timely reports laced with integrity/honesty. Critically, this committee is expected to represent some non-executive/independent and executive members (Komal et al., 2023; R. et al., 2021; Usman et al., 2022a). Bazhair (2022) listed the attributes of the board audit committee (identified as the audit committee) as follows: the audit committee size, audit committee gender diversity, audit committee frequency of meetings/audit committee meetings, audit committee independence, and the professional experience/audit committee financial expertise.

The paper elaborated on the qualities, with the audit size representing the number of members that make up the committee. It posited that the Saudi CG code endorses that the minimum and maximum number should be between three and five members. At the same time, audit committee meetings or the frequency of meetings represent the level of the committees' activities that they sat to deliberate the issue of their roles in the organisation in Saudi Arabia. Previous studies explained further that these levels of meetings are used to judge their performance. Another composition of the audit committee is their independence. Independence is the value expected to be seen in their judgements, which would enrich BODs' decisions towards safeguarding and strengthening the corporate internal compliances such as internal control. These authors identified another core characteristic of the audit committee: their professional finance and accounting expertise. By having this critical quality, their *oversight monitoring responsibility* is expected to subvert financial and accounting illegalities in such firms, such as fraudulent activities and earnings manipulations/management. Expectedly, the committee should ingeniously structure plans and designs to strengthen compliance (Ha, 2022; Hassan Bazhair, 2022; Usman et al., 2023).

More so, *gender and age diversity* are inclusive characteristics of the audit committee that aid in ensuring balance and quality in a company's performance. Scholars (Komal et al., 2023) admitted that age diversity, like gender diversity, also severely impacts the demographic compositions of audit boards. They argued in their examination that the age diversity of the audit committee financial experts (ACFEs) influences the quality of reporting in Chinese non-financial firms whilst discovering its non-existent link between it and earnings management. Further discoveries in the audit committee exposed that auditor younger in age are keener to mitigate fraud/earnings management than those older and even their counterpart in the SOEs and private firms. Based on their empirical analysis of the issue of gender diversity, scholars (Usman et al., 2023) unveiled their discovery that the presence of female gender on the audit committee deter managers from corporate crimes of financial natures such as shifting core expenses and earnings-related crimes in the UK and Germany. The paper highlighted arguments in some extant literature that discussed the impacts of female directors in mitigating agency conflicts by listing differences in ethical behaviour, risk appetite, overconfidence and accountability amongst both sexes that always affect their effectiveness in oversight Monitoring. It pointed out the continuous gap in studies on the relationship between audit committee gender and classification shifting since introducing a 30% female quota in the committee. Based on that premise of expectation that women on the committee would represent high-quality information, the existence of openness, and reduction of managers' opportunistic behaviours, including CS, the paper argued in their hypothesis that in the audit committee, gender diversity is oppositely/negatively related to Classification Shifting.

Another scholar elucidated that the board audit committee is one of the units/wings empowered to carry out bank monitoring and oversight responsibilities while enforcing fiscal discipline in financial reporting processes. Ugwulali (2019 observed that for AC to make substantial impacts in a corporation, it must be adequately constituted and competently staffed for good governance. That will encourage its roles to be effectively protected to ensure that different stakeholders know the actual position of their companies. However, scholars such as Komal et al. (2023), Usman et al. (2022, 2023), Salem et al. (2021), and Bazhair (2022) identified and discussed extensively the characteristics of the audit committee as well as their component elements/ingredients necessary to make it effective such as age, gender diversity, meeting frequency, experience, independence, size, and others.

Previous studies acknowledged that audit membership must consist of independent non-executive directors as stipulated in the CAMA 1990 section 359(6) of the Nigerian Act, that equal numbers of directors and representatives of the shareholders of the company and must be limited to six members but embellished/decorated with additional proviso (para 13) which allows only on the executive director to belong. The committee chairperson must be an independent/non-executive, appointed by the members of the audit, must be free from any attachment to the management, and must have an independent view/judgement (Akhor & Oseghale, 2017; Moses et al., 2016; E. N. M. Okike, 2007).

While investigating the linkage between audit committee attributes and financial reporting lag in the Banking sphere of Nigeria, Akhor and Oseghale (2017) argued that audit committee independence is related to financial reporting lag while there is no link between the audit committee meeting and audit committee gender with the financial reporting lag, hence recommended that the number of the independent/non-executive director should decrease to enable speedy release of audited statement to those that will need the financial information. Another scholar (Olayinka 2019) posited that Nigerian banks should not have less than about 20% of audit committee directors in the entire board who are financially able to interpret reports; a minimum of about four meetings in a year should be held by the audit committee, amongst others. This was in response to examining the effect of audit committee effectiveness in some Nigerian banks. However, another examination targeted at the audit committee characteristics and quality of financial reporting in quoted Nigerian banks affirmed that audit committee independence has no impact on the earnings management in such listed banks and that the audit director should professionally know how to mitigate these criminalities of distorting facts in the financial records. The paper recommended that the audit members should, through constant training and re-training, learn to make meaningful impacts in producing quality financial reports (Moses et al., 2016).

Identifying the board characteristics, audit committee composition, and financial reporting in Nigeria, an author (Moses, 2019a) discovered that an audit committee with more members of independent directors contribute positively to stemming the tide of fraud as well as having a more quality financial reporting, as the same positive result could be received if there are more/increased numbers of independent directors in the committee.

While surveying how size influences the audit committee towards the quality of the financial reports in quoted banks in Nigeria, this quantitative study's outcome exposed that it has less effect on the financial reporting quality in such identified banks. It endorsed the quality of Reporting of the listed banks and hence advocated that the audit committee members should be made up of only professionals in accounting and finance who understand what it takes to be a member of such a committee (Moses, 2016)

An empirical study elaborated on the impact of the audit committee characteristics in determining the financial performance of Saudi non-financial firms by pointing out that the size and number of meetings (meeting frequency) have no negative influence- on the company's performance. Instead, the author (Hassan Bazhair 2022) posited that the committee directors' independence and financial expertise have strong and positive impacts on the financial performance of the firms. Hence, it exposed insights into how the audit committee contributed to the growth of the firm's profitability, even as this study tends to guide the industry leaders on how to restructure the audit committee to enhance the application of CG principles and practices. The enhancement of the practices aids in mitigating fraudulent activities, hence assisting in restoring credibility to the image of accounting and finance.

3.4.6 Fig. 11. The Diagram of Audit Committee

SOURCED: Qualified Audit Academy (2021)

3.6.6 Audit Committee Duties and Responsibilities

Audit Committees of the Board ensure the credibility of the corporation's books and records by mitigating fraudulent falsifications (earnings manipulation). In examining the functions and responsibilities of the BODs, auditors, and the Audit Committee within the circle of CG, Okike (2007) pointed out that the audit responsibilities are enshrined in Section 359 of 2004 of The Nigerian Companies and Allied Matters Act. Furthermore, the paper added that the European Union (EU) issued a directive in 2006 through article 41.2 that the committee should (1) monitor the process of the financial reports, (2) monitor the internal controls' effectiveness, monitor the internal audit and where applicable, the management of the risk systems; (3) monitor the statutory audit of the annual and consolidated accounts; (4) review and monitor the independence of the statutory auditor or audit firm, and in particular the provision of additional services to the audited entity (Bajra & Čadež, 2018; Modum et al., 2013).

These identified roles/functions include ensuring that the accounting and reporting processes are followed according to the laws of the country whilst maintaining ethical practices; ensuring that audit scope and planning requirements/needs are reviewed; ensuring that findings on management issues in combination with the external auditors and departmental responses thereon; constantly make sure that the accounting system and internal control are effectively reviewed; must make recommendation to the board in areas of appointment, dismissal and payments of the firms' external auditors; and, to authorise the internal compliance systems (especially the internal control) to investigate activities that are detriment to the company's well-being. Following the above roles enshrined for the audit committee, this writer posited the committee as the firm's 'centre of information collating and reporting processes' and these roles are in section 359(6) of 2004 of the CAMA Act (Ugwulali, 2019)

The Nigerian Code of Corporate Governance (2011) and (Olatunji and Stephen 2011) asserted that having these experts as non-organisational employees with the BODs is related to credibility experiences in financial auditing. More so, their contributions at this level instil professionalism as they are tasked/assigned to formulate, design, and provide approaches and routes to mitigate fraud and other financial criminalities in the Nigerian banking industry.

Scholars joined to give credibility to reports from BAC that their existence in the banks strengthens their financial performance (Adigwe et al., 2016). The Non-Executive Directors (NED) have a 3-term tenure of four years each, resulting in twelve (12) years, just as the tenure of the MD/CEOs was adjusted upwards to be on the same plane, whilst it is different for the INEDs. Section 149 (10) attests that independent Directors are eligible to hold office for Five consecutive years and could be eligible for reappointed after passing the firm's special resolution, and such appointment must be disclosed in the board report (CBN, 2023) (Paseda, 2012)

The INEDs (Independent non-executive directors) are not members of the daily operational activities of the banks they represent, but their expertise, constructive censures from experiences coupled with their ability to co-develop policies of a strategic nature afford the bank board of a significant variety of actors whose strong-willed attitude distinguished them from other board units. These members cannot be influenced in any judgment or act with prejudice or favour. Audit committees are more empowered to formulate and decide matters that revolve around overseeing the auditor's duties in the bank, compensation, appointment, information technology security, and control of the bank's financial reporting. Further explanations of their fiduciary functions are (Abdulmalik & Ahmad, 2015; Patrick et al., 2015). Nevertheless, under the purview of this elite committee, the management still needs to receive their reports as the banks' CPAs submit directly to the audit committee.

Hatrash (2018) and Ugwulali (2019) asserted that the audit committee, commonly called an audit, is a crucial position in the structure of CG in firms towards mitigating financial and economic indiscipline such as fraud/earning manipulations. As a vital board component, its oversight duties embrace choosing an independent auditor, critically examining the financial reporting process, and being fully responsible for receiving all financial dealings relating to the bank's internal and external audit reports. The AC (audit committee) is a group of reputable financial experts versed in corporate auditing and accounting, with reputable integrity, who are primarily independent auditors (outside members) for prompt and correct reports. AC members are the link between the board/firm and external auditors who review the company's financial reports, audit reports, laws and regulations and evaluate all the compliances. The author posited that BAC is a designed technique set up and adopted by the shareholders to scrutinise and checkmate the opportunistic tendencies or detours of the managers (Hatrash, 2018; Mousavi et al., 2022).

AC has many different traits or characteristics, such as oversights of financial and other key risks, taking tough decisions, relationship building, dexterity in assembling and developing strong teams and being intellectually curious, amongst others. The ACs' (Audit Committee) duties are to reduce risks and likelihood of fraud in firms by effective monitoring. Mousavi *et al.* (2022) assessed the effects of CG mechanisms such as the board and the audit characteristics in the areas of independence, finance ability, level of fraud and money laundering in financial statements of quoted firms on the Teheran Stock Exchange. Based on the descriptive correlation of published information from 2014 to 2020, the authors elucidated the board and audit characteristics as independent, financial, and industry ability. The efforts of the two concepts (board and audit) have almost no impact on fraudulent financial reporting and ML (money laundering). However, Mousavi *et al.* (2022) judged the board as a critical element of the CG mechanism whilst attributing the audit as the safeguard and projector of the corporate image within the scope of financial honesty.

In 2018, Deloitte posited that the roles and duties of the audit committee spread towards supporting the board in governance, oversights and monitoring of issues relating to financial reporting, ethical accountability, risk management and all intrinsic and extrinsic auditing. Therefore, the breakdown of these roles hinged on the pillars of oversight, review and assessment of the company's inherent system and functions. Hence, they are the gatekeepers and investment protectors in firms. They should also make sure that financial statements are prompt and error and fraudulence-free as they are to check financial and non-financial practices, as well as reducing information asymmetry between the management and shareholders/stakeholders (Armstrong et al., 2010; McLaughlin et al., 2021).

Examining the impact of audit quality in averting earnings management via loan loss provisions in conventional and Islamic banks, scholars (R. Salem et al., 2021) discovered that the Big-4 auditing firms with global spread and respect, co-audit, audit committee size, and committee independence mitigate earnings management practices in the Islamic banks by the managers, whilst it is a different practice where the conventional bank's audit committee mechanism is unable to effect such practice. Earnings management practice

is an accounting technique where financial statements are overly shown or presented to the investors and the public as a current favourable financial state/position of the corporation's business activities. It is a fraudulent activity. Furthermore, their findings exposed many crises in conventional banks due to a higher pedigree of earnings management than in Islamic banks. This research outcome points to re-examining the roles of the policymakers (board audit) in re-examining their regulatory processes on audit policy and accounting standards whilst giving insights on the nature/outcome of earnings management in MENA countries' Islamic and conventional banks. These aim to avoid the deliberate adoption of misapplying the principles of accounting techniques on banks' financial reports.

The role of audit committee characteristics and corporate fraud were discussed. It emphasised that the role of the AC is significantly essential to the regulators and the public in corporate governance vide the examination of the link between AC characteristics (such as the number of meetings, size, and number of AC financial experts) and fraud (being potential fraudulent financial reporting). The position is that the number of AC members does not significantly prevent fraud; financial experts significantly prevent fraud, and ACs with at least one female are better than all-male committees. This is because the Big Four global accounting firms have the edge of more financial experts than other accounting firms (Huang & Thiruvadi, 2010). The importance of AC within the framework of CG was explained by the Agency theory based on the asymmetry of information between the principal and the agent. This is due to the agent (management) seeking avenues to influence the independence of internal control in firms with weak control, but when the high-quality audit intervention manifests (external auditor), then evidence of good corporate governance is witnessed (Suhadak et al., 2022)

Some scholars argued in their empirical analysis of AC diversity and corporate scandals that specific characteristics of an AC are likely to be associated with fraud/scandal/sanction. Whilst using logistic binary regression analysis, Armstrong *et al.* (2010) discovered that 'audit member tenure and audit committee meeting frequently have positive associations to the likelihood of corporate scandals, while there is no positive relationship with audit committee female chairs, audit committee female members' percentage, audit committee qualified accountants members, audit committee attendance, number of shares held by audit committee members, audit committee remuneration, board tenure and the possible corporate scandal across these samples. Whilst scrutinising the auditor ethnicity matter on audit fees in Indonesia with a focus on audit partner ethnicity, (Cahyono et al., 2023) found that auditors from a particular tribe charge lower fees to firms related to them/or having their ethnic personalities when compared to other firms with people from different/other groups. The systematic application of a jingoist attitude in professional mentality, as indicated in audit fee charges, underscored the fact that the three largest ethnicities in Indonesia are associated with lower fees if the comparison is drawn with the country's minorities. Furthermore, these writers concluded that the audit partners' ethnic bearings can be seen as social capital that impacts lower audit fees in that country. Characteristically, the companies should strategically balance their audit committee representation on the ethnic diversity front effectively to aid the growth of their governance and marketing areas.

By investigating the AC structure and diversity, Armstrong *et al.* (2010) found the following reasons:

- the suggestion of lack of time is a critical challenge in governance.
- unintentional costs, including litigation and reputational risks.
- Members are unwilling to participate in the AC, thus causing a brain drain.
- the extra workload pressure associated with it.

Furthermore, since AC belongs to the BOD where other committees exist, members of these committees sent to AC may reject the offer/appointment but prefer to be where they belong. Another reason is traced to the fact that many ACs could be more productive-oriented, strategic, and more informed, with experiences whose ability could mitigate the possibility of fraud, scandals, and sanctions. However, these scholars warned the shareholders that frequent meetings of the AC could be a red flag. However, they surmised that the identified results portray that the structure and composition of AC membership could affect fraud and fraudulent activities, the associated scandals, and the resulting sanctions. The paper recognises that UK CG encourages diversity but is silent on gender quotas.

Several independent and dependent variables have been identified with the Audit Committee that directly and indirectly affect the committee's performance. As a key identified dependent variable of the board, audit committee activity/diligence has many independent variables tied to it. Such factors include the board size, proportion of non-executive directors, number of board meetings in a year, ownership structure, expertise, composition quality of audit report, and board performance (Ugwulali, 2019).

Nevertheless, it is argued that audit committees with females help mitigate fraud through aggressive accounting decisions. This weighty decision shows that females go against earnings management (an accounting procedure that produces financial statements out of the actual figures). These proved that women do not tolerate risk or have minimal risk tolerance. Females are more ethically responsible than men in their judgement and behaviours in the same working environment. Other supporting arguments state that in a firm, the female gender has a higher propensity to report fraud or fraudulent activities than the male, especially on issues relating to financial reporting (Yudi & Harymawan, 2017). Armstrong *et al.* (2010) evidenced that the female members positively collaborate in identifying and reporting control challenges and monitoring the fraud risk and the financial statement. Indeed, diversity has been upheld in its contribution to elevating standards in quality reporting and management assessments, as an audit committee female chairperson decreases risks of misstatement. However, the paper examined other issues based on AC financial expertise, AC member tenure, AC independence, AC share ownership, AC size, AC meetings, AC activity, and AC other directorships.

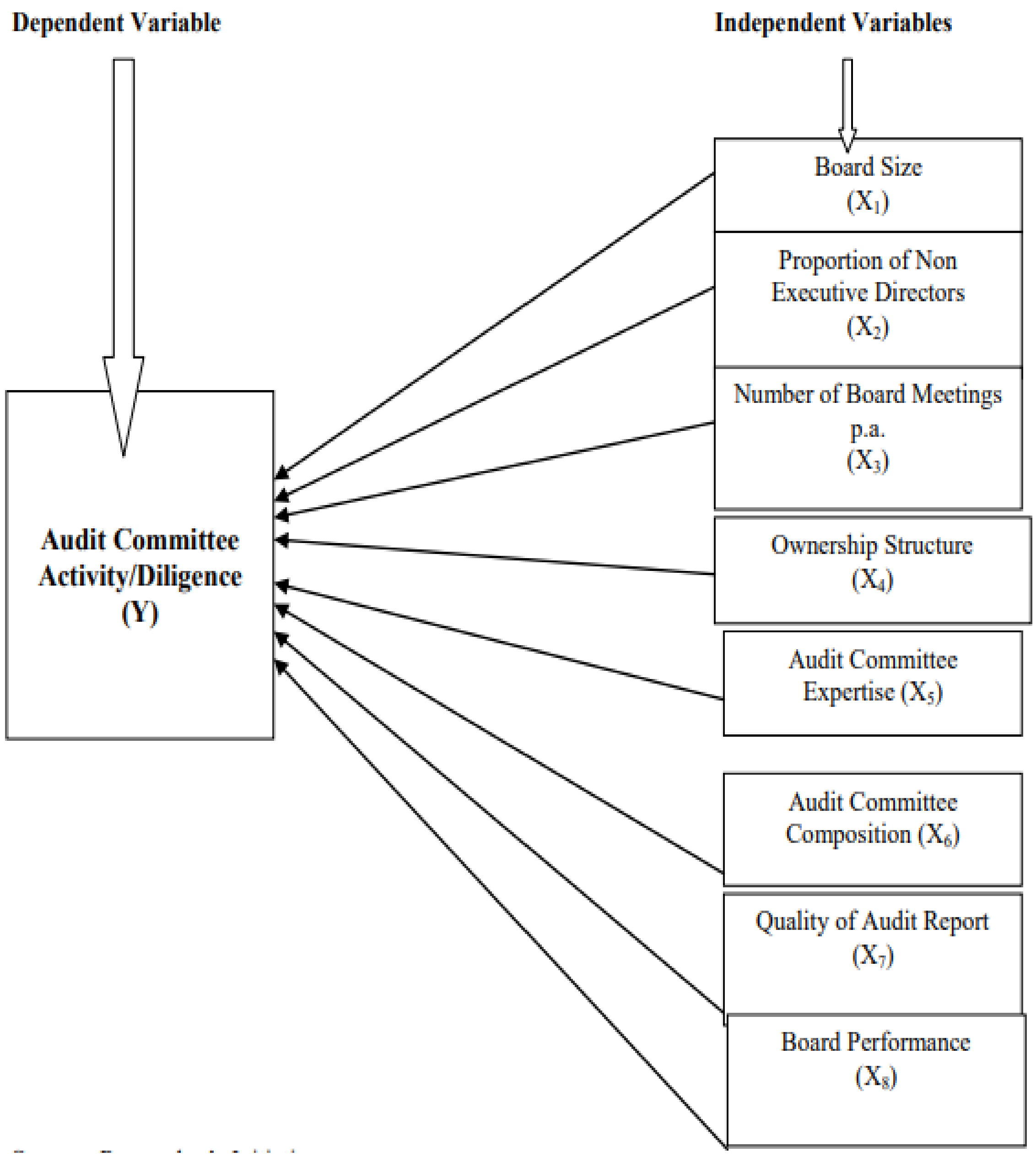
However, arguments exist about whether an executive member could be permitted to be a member of the board audit committee. Hamid was able to posit that the exoneration of the executive directors from being members limits the effectiveness of the corporate mechanisms that can institute safeguard operations. Furthermore, these writers observed that it jeopardises and violates the safeguard operations the CBN created in the 2006 Code of Governance for Banks. A research document supportably argued that the quality of objectivity expected to be in the financial report of the banks' audit committees called for the inclusion of a minimum of one executive director since it was removed in the 2011 Code of Corporate Governance and entirely ceded to the Independent non-executive (Hamid, 2009; Ugwulali, 2019). Though the nation's Security and Exchange Commission (SEC) supports this inclusion in reverse, Sarbanes-Oxley (2002) appreciate BAC as an effective frontline mechanism that enhances transparency and integrity in firms' financial reports.

Ojeka et al. (2019) analysis supports the exclusion of the executives in their argument that adding the CEO would reduce or destroy the objectivity and independence of the financial report and even its reliability and relevance and that the report would be better off without executive interference. Hence, they recommended that increasing the number of Independent non-executive members/directors would increase the quality of the board oversight responsibility as well as reduce the possibility of any disharmony or damage on any conflicts of interest in the banks; the exclusion of the executive as AC members would receive the investors/shareholders credence/endorsement of faith and confidence in the system's report. They added that foreign investors would feel safer and better encouraged to invest in an atmosphere that attracts the drafting of the FDI as that represents both the board and shareholders' interests, even as the overbearing influence of the CEOs would be drastically reduced and of no effect to the financial report’s quality (Stephen et al., 2019)

3.4.7 Fig. 12. Audit Committee Effectiveness

SOURCED: Deloitte, Governance in Focus: Audit Committee effectiveness in Denmark, (2018)

3.4.8 Fig. 13 Audit Committee Diagram identifying the Dependable variable and independent variables.



SOURCE: Ugwulali (2019) The relationship between Audit Committee and Corporate Governance Variables in Nigerian Banks, pg. 19.

3.6.7 The Significance of Audit Committee in the Nigerian Banking Industry

Audit committees, as a subset of the board of directors, hold a significant and strategic position in shaping and ensuring the integrity and transparency of Nigerian banks' financial reporting and internal control systems. The effectiveness of audit committees in addressing the ever-evolving nature of fraud cannot be overstated. This essay aims to delve into the multifaceted issue. This paper focuses on the role of audit committees in mitigating fraud within the Nigerian banking industry, focusing on their functions, responsibilities, challenges, and initiative-taking strategies. Audit committees are essential to any organisation's corporate governance structure, especially in the banking sector. They are established to assist the board of directors in fulfilling their oversight responsibilities related to financial reporting, internal control systems, risk management, and compliance with regulatory requirements.

In Nigerian banks, audit committees typically consist of non-executive directors. However, most are independent, ensuring an objective and unbiased assessment of financial matters. The composition of these committees underscores the importance of diversity and expertise, providing a broad range of skills and experience needed to fulfil their responsibilities effectively. Despite their vital role, audit committees encounter several challenges in fulfilling their oversight duties effectively.

Another way of enhancing the effectiveness of audit committees in mitigating fraud is adopting initiative-taking strategies for implementing strategic policies. These may include continuous professional development for committee members, leveraging advanced technology for enhanced risk assessment and fraud detection, strengthening collaboration with internal and external stakeholders, and promoting a strong ethical culture within the organisation. Audit committees assess and strengthen the effectiveness of internal control systems and risk management processes towards identifying and mitigating potential fraud risks. They work closely with management to ensure adequate measures are in place to address emerging threats. By fulfilling their responsibilities effectively and proactively addressing challenges, audit committees can significantly contribute to fostering a culture of integrity and minimising fraud within the Nigerian banking industry, enhancing public trust and sustainable growth.

3.7 Summary

This chapter introduced the concepts of this work, beginning with the introduction of the Agency theory. The concept definitions, importance, and shortfalls were highlighted, and the theory guided the entire framework of this study. The concept of fraud and types of fraud, such as internal, external and collaborative- between the internal and external- were exposed. Inclusive was the relationship between the CG and Fraud in the banks. Strategic risk management was introduced to highlight its importance as a strategic decision of the board and the audit committee and to mitigate present and future risks of fraudulent acts in banks. A key concept of corporate governance and good corporate governance is their benefits, challenges, deficiencies, roles, responsibilities, and, most importantly, the dangers of neglecting them in firms. In 1932, the thesis of Berle & Means introduced the modern corporation and how to run it effectively, leading to the knowledge and understanding of CG. On CG, varied definitions from many scholars were mentioned. However, the definition of Cadbury (1992) stood out prominently as that system through which organisations are controlled and directed. Furthermore, this work exposed the practice of the CG framework within the Nigerian business community before and after the financial meltdown. Importantly, CG and fraud, CG and mitigation of fraud, empirical evidence linking corporate governance and fraud, BODs, management, and board audit were discussed. More so, issues concerning good corporate governance were stressed as the bedrock for firms' governance. Through this, its criteria were listed, and the adherence to the fundamental principles of corporate governance was emphasised.

However, the next chapter will deal with research methodology. This is the critical area that introduces what research is all about. Its preview would expose the philosophical paradigms and qualitative case study design forming the nature and structure of the research method.

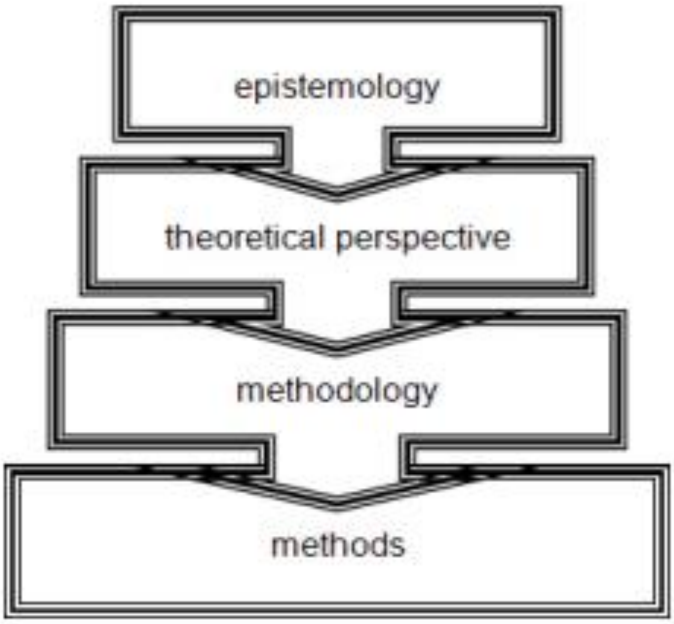
CHAPTER FOUR: METHODOLOGY

4.1. Introduction

This study will be divided into three segments: the research philosophy, method, designs, and data collection. This chapter justifies the philosophy and the methodologies behind this study. The philosophical underpinning of this study will influence the choice of data and the methodological approaches employed in this study. This study adopts the qualitative method with the current global best practices by using case study design because it not only aids researchers to penetrate deeply into the way people think and feel about issues but aids in the growth of human understanding of meanings behind phenomena, as well as providing an exceptional understanding of concepts, thoughts, and experiences. These can be attributed to freedom of expression (Sinkovics et al. 2008). Therefore, it is essential to understand how corporate governance mechanisms (the board and audit) are fundamental towards mitigating fraud in Nigerian banks (and, by extension, global banks). Having extensively reviewed critical concepts associated with this study, discussing ways to actualise it becomes imperative.

This chapter is descriptive and analytical and will discuss the design and underlying assumptions associated with this study to enable the understanding of how board and audit mechanisms help mitigate fraud in the Nigerian banking sector. It is also designed to expose a case study as a qualitative research method design and its benefits for data collection and analysis. It has been posited that case studies can be used to obtain first-hand information through survey questionnaires and semi-structured interviews; more so, it aids in the identification of the sources of information collected. A qualitative case study is an intensive and detailed exercise examining single or multiple cases. This is because it gives in-depth descriptive information on issues examined, collected, and interpreted through an organised and explanatory format. Therefore, it could be deduced that the case study is a carefully prepared story (Marrelli 2007).

4.1.1. Fig. 14. The Four Elements of Social Research



Source: Abdullahi Giza Abubakar (2020) Multinational Oil Companies' Managerial Perception of Political Risks: A Study of The Nigerian Oil and Gas Sector, (P.128).

4.2 Research Philosophy

Magnus (2012) posited that research philosophy concerns how a researcher develops knowledge. Philosophy is an umbrella term that covers ontology and epistemology. A paradigm consists of or has components such as ontology, epistemology, methods, and methodology (Scotland 2012). Magnus (2012) enlisted three reasons for adopting philosophical assumptions in research. Firstly, it aids in uplifting our knowledge of ontology and epistemology, hence a better understanding, information, and clarification of our research designs. Secondly, the knowledge of philosophy aids the researcher towards knowing the design to adopt to avoid mistakes. Thirdly, having philosophical knowledge widens our horizons to find and create designs outside our scope and have designs that fit into tight plans. Scotland (2012) posited that ontology is the 'study of being'. Furthermore, the underpinning of ontology concerns itself with issues relating to reality. The paper recommended that researchers choose and define their positions no matter how things work or may turn out to work. On epistemological underpinnings, the paper argues that it deals with knowledge-related issues. Therefore, both issues/concerns about reality and knowledge underpin research; hence, ‘every paradigm is based on its own ontological or epistemological assumptions.’ These underpinnings can or cannot be empirically proven because of different views based on reality and knowledge.

However, it posited that each paradigm is linked to ontological or epistemological constructions because all assumptions are opinions or conclusions established with incomplete information based on speculations. Furthermore, the author listed and described other identified paradigms separate from ontology and epistemology, such as method and methodology. It classified methods as special techniques and procedures designed to generate/collect and analyse data based on either qualitative or quantitative approach, whilst methodology can be seen as a plan of action which are designed to follow a particular method chosen or adopted in research (Scotland.2012)

4.3 Ontology

Spezial and Carpenter (2003) argued that ontological assumption posits that there is no single truth/reality but many phenomenon truths/realities. Ontology deals with how reality presents itself to you as a researcher. It exposes the fundamental positions of understanding the perspectives relating to the issue of realities that exist in the world today. REALITIES is the focus of ontology, how ‘truth’ is viewed and how knowledge evolved from different perspectives based on diverse interactions. Scholars posited that Ontology represents the ‘study of being’, which concerns the nature of existence and structure of reality or what is possible to know about the world. Ontology deals with the state or reality of the world. Furthermore, these scholars defined ontology as the concept that deals with the existence and aspects of society like relationships, social actors, traditions, culture, and other various social structures (Roldán-Molina et al. 2021; Al-Saadi 2014).

Ontology presents itself in two diverse ways: from the objectivist and subjectivist views. These explain why the objectivists posit that the world is separated from the people in social construction and further seen as external and independent by applying variables detached from the enquirer/researcher. These indicate that the means of scientific discoveries can only be linked to realism (Antwi and Hamza 2015; Edirisingha 2012; Tubey et al. 2015). Scholars leaning on subjectivity see themselves as part of the realities and instruments that manifest in their exploration of studies. They cannot be dissected from their research, hence postulating that reality/truth in the world is relative and internal depending on individual versions of the presentation. It implies that truth or reality comes in different/multifaceted/multiple and complex ways and not a single (scientific) route; hence, it is subjective due to diverse interactions in a social environment between the researcher and respondents/interviewees/participants (Bahari 2010; Cresswell and Smith 2012; Hall 2013)

4.3.1 Constructivism Approach of Ontology

Constructivism is the ontological position explaining the events (phenomena) and the meanings the social actor plays out in their environment. Bryman (2016) posited that orders are worked at and that rules are flexibly imposed in an organisation under the position of understanding.

Neimeyer and Torres (2015) explained that for research to have the orientation of a constructionist, it must lie in the philosophy adopted rather than in the method or technique used and that varied aims of the research could also be another factor. However, they admitted that applying some interview patterns could tilt the balance, especially if the interview is constructing or deconstructing personal or social meanings without thoughts of external infiltration. Similarly, Bryman (2016) insisted that people create culture and not through external influence. This paper agrees that constructivists' line of thought should not be dragged to the extreme but accepts that culture aids in shaping people's perspectives as it is a primary point of reference.

However, the significance of constructivism to this research is that it exposes social reality as an internal achievement made by social actors rather than through foreign importation or external influence. Bryman (2016) asserted that constructivists' ontology helps researchers understand the world around us as social products and further understand the meaning of societal/human constructions and interactions. Al-Saadi (2014) and Roldan-Molina et al. (2021) stated that this assumption encompasses all material, immaterial, and spiritual norms that define society and those assumptions that explain the ingredients that make up society.

The ontological underpinning of this research is constructivism. Constructivists believe that knowledge can be mentally constructed rather than just accepted information. They believe that constructivism is a learning theory rooted in psychology that explains how people learn and acquire knowledge. (Dewey 1929; Piaget 1980)

This research's justification for adopting a constructivist position stems from the understanding that it aids in the achievement of the aim and objectives of this study towards mitigating fraud in Nigerian banks.

4.4 Epistemology

Epistemology is a theory of knowledge (Greco 2017; Sosa 2017). Al-Saadi (2014) opined that epistemology is based on individual assumptions of what we make the world to be. As the world is known to have elements that constitute it, which have been found through knowledge, Hill (2018) insisted that epistemology answers questions on how we know. Furthermore, it deals with issues linked to the creation and spread of knowledge in chosen research areas. Poulis (2021), using epistemology under the assumptions of ''monochronic'' and ‘‘monolithic’’ terms, argued that the philosophical concepts of epistemological and ontological beliefs are intertwined.

Furthermore, another school of thought whose interest dwells more in the social dimension of epistemology showed issues between epistemic values and morality and how this value affects moral theory, even questioning the connection in the belief that emanates from the interaction between practical/moral reasons and epistemic reasons.

4.4.1 Interpretivism Approach of Epistemology

Al-Saadi (2014), Bryman (2016) and Pham (2018) argue that interpretivism was founded on the premise that an alternative strategy was needed to explain the dissimilarity between ‘people and objects of the natural sciences’, and that led to the development and acceptance of subjective views or positions. Interpreting or translating views or understandings is purely subjective. The interpretive paradigm focuses on understanding the world from the individual personal subjective perspective (Putnam and Banghart, 2017). Here, meanings are derived from interviews and observation of participants, which relates to how the interviewer sees the interviewee during the interview. It simplified these by saying researchers cannot adopt physical science methods to understand and interpret a human social world (Pham 2018).

Interpretivism deals with natural daily occurrences, whilst positivism is an approach that deals with the study of society, which relies on empirical scientific evidence. Indeed, the qualitative method is the best way to understand the world in a simple term through the people, society, culture, relationships and phenomena (Crowe et al. 2011; Zattoni et al. 2013; Mac Naughton et al. 2001)

This philosophical approach relates to historical, cultural, temporal, or even subjective environmental circumstances. It aligns interpretivism as a social construct with a subjective nature, not static but flexible and capable of changing, with multiple ways of explaining and understanding people and society (Dudovskiy 2021).

Bryman (2016) argues that interpretivism is an epistemology opposite to positivism and does not follow a scientific way of studying the social world. The interpretivist approach believes that people and their institutions fundamentally differ from pure science. Ogundele (2016) deduced that this interpretivism contributes to knowledge growth and enhances a better understanding of insights in a phenomenon's context. Furthermore, this scholar posits that subjectivity is aligned with the interpretive approach, which relies on beliefs based on socially constructed realities. This is because it seeks to understand what differs the social actors in an environment, even as it evokes interpretivism's view on organisations based on social rather than economic activities.

This epistemology does not accept the objectivity of social reality, nor can it be approached from a singular source. However, it believes that through subjectivity, social reality can be better understood with multiple interpretations. Bryman (2016) and Pham (2018) posited that the examination of epistemological clash in social sciences chiefly reflected on the division between the explanation of behaviour (positivist) and the understanding of human actions. More so, they detailed interpretive views based on the belief that knowledge is that which exposes individuals' motives through logical evaluations and interpretations based on consistent subjective views and common sense. This explains the interpretive assumptions that social conflicts can be resolved using society's existing values and beliefs.

However, Ogundele (2016) evidenced that research interpretative paradigm can be adopted through qualitative or quantitative works, positing it as ‘social constructions and reconstructions developed by experience’. In agreement, Bryman (2016) stated that interpretivism is synonymous with multi-layered and complex reality as it explains a single event (phenomenon) that can be diversely interpreted. Interpretivism defines the belief that the qualitative method explains how people or individuals shape their societies. Pham (2018) explained that a researcher gains a helpful position whilst using an interpretive approach to have a unique, more profound understanding of the associated complexity of the societal context of the study. Furthermore, in human relations, many ways of interpreting and understanding issues exist in society.

Some advantages of interpretivism include allowing varied meanings, understanding, and interpretations towards assessing phenomena, objects, humans or events within the social context to exist just as the method of conducting interpretive research in natural settings. Also, it provides authentic information and valuable data for research works. At the same time, it encourages interviews, which help unearth more facts to enrich works by investigating issues and phenomena (Pham 2018). However, the ontological positivists' philosophy argues that any influence on the researcher that affects the study’s investigation/exploration nullifies it (Ponterotto 2005).

4.4.2 Philosophical Underpins of this Study.

It has been stated that studies using qualitative and quantitative methods have philosophical foundations or pillars upon which they rest. However, for this qualitative study, the philosophical bedrock is epistemology, which provides the understanding that social phenomenon is not based on scientific variables from a sole source but comes from multi-dimensional views. This study is designed to provide a deep evaluation and understanding of the effectiveness of the board and audit towards mitigating fraud in the Nigerian banking industry and assessing the performance of CG in banks domiciled in a weak institutional environment. For a vivid capturing of these dimensions, the adoption of

To achieve this research's objectives, questions are designed for participants/respondents/interviewees to capture their descriptive understanding of fraud in Nigerian banks. Applying the qualitative approach towards the phenomenon under study led to the triangulation of methods such as literature review, case study, and exploratory social survey, incorporating semi-structured interviews. This qualitative study is hinged on an epistemological position, so divergent views with subjective nature are recognised. These aid the minds of the participants/interviewers in expressing appreciation by stating the realities of the phenomenon under discussion from their perceptions. Through these relativists' positions, the creation of varieties of reality tends towards enhancing the understanding of the topic being discussed. Scholars admit that viewing this approach from a qualitative perspective often aids in the realities' psychological and social development. Hence, the achievement of the qualitative method is the illumination of multiple realities that emerged from multi-dimensional angles or perspectives that were exposed to knowledge by the researcher's relationship with the participants. (Ponterotto 2005; Bell et al. 2022; Bryman 2016; Polkinghorne 2005b; Polkinghorne 2005a)

These serve as the supports of this academic exercise through which this researcher factors ways for new and dependable knowledge that take into cognisance the reasons for the adoption of the research strategy, how the study problem was formulated, methods of data collection, and the processing and analysis of the data collected from the field. There are several examples of philosophical underpinnings while conducting research: focus groups, open-ended observations, open-ended interviews, structured interviews, journals, and semi-structured interviews.

However, in studying human experiences related to corporate governance mechanisms' role in mitigating fraud in the Nigerian banking industry, semi-structured interviews will be adopted in the field operation to collect data. It is essential to admit that the use of philosophical interpretivism coupled with the adoption of any of these mentioned approaches aids a researcher in generating qualitative data. The application of thematic interpretation of data analyses these data. It is through the subjectivity of educational research that it is essential to understand knowledge for what it is, what it represents and how to discover it. These are done by understanding the underlying ontological and epistemological assumptions in the studies, which could relate to the researcher's chosen method or methodology (Scotland 2012).

4.4.3 Fig 14. Critical Social Behavioural Research Paradigms

Paradigm	Positivism	Post-Positivism	Pragmatism	Constructivism
Research Methods	Quantitative	Quantitative	Quantitative and Qualitative	Qualitative
Logic	Deductive	Deductive	Deductive and Inductive.	Inductive
Epistemology	Objective point of view. Knower and known are dualism.	Modified dualism. The findings are objectively factual.	Both objective and subjective.	Subjective, as the knower and known, cannot be separated.
Ontology	Naive realism	Critical or transcendental realism	She accepted external reality. Choose explanations that best produce the desired outcome.	Relativism

Sourced (but remodified): Magrus (2012)

4.5 Research Strategy

The technique adopted to achieve the aim and objectives of this research is grounded on a qualitative method with a case study design. It hinges on the triangulation system towards data gathering and aiding in validating answers by removing bias. By this effective method, a much more reliable, better quality and acceptable claim or explanation of the phenomenon under study could be provided. Triangulation offers multiple approaches used in sourcing data to aid in developing a comprehensive understanding of the issue/phenomenon. It is also vital in the validity test in qualitative research as it provides the convergence of data from multiple sources, including the method triangulation, investigator triangulation, theory triangulator and data source triangulation (Triangulation 2014; Patton 1999).

4.5.1 Methodology Adopted

Scholars have argued the definitions and usefulness of research and methodology in diverse ways. Research has been defined as a systematic investigation/examination/inquiry where gathered/collected data are carefully analysed and interpreted to understand, describe, predict, control, or empower individuals. It can also be usefully applied to control educational or psychological events/phenomena. In addition, the methodology has been deduced as a set of practices that makes it different from the algorithm (Mackenzie and Knipe 2006).

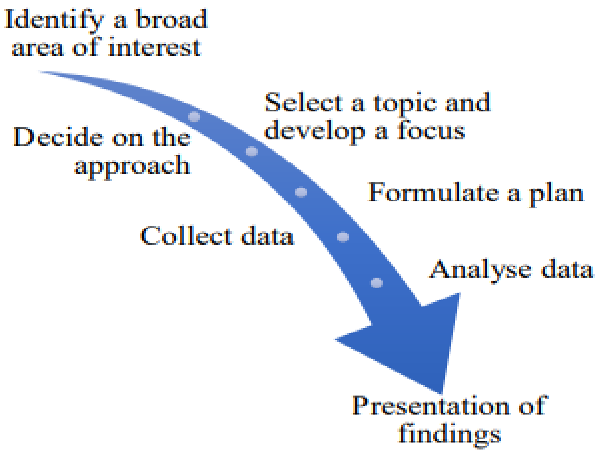
Another methodology definition is a system with rules and specific procedures interpreted to solve multiple problems when used in a particular discipline (Dictionary 2020). The primary reason for conducting research is to fill the knowledge gap and solve problems, but each research has its systematic pattern. Through research methodology, research has proven its distinctive nature of differentiating it from other concepts like methods, grounded theory, and epistemology.

Other scholars argued that the research process has components, such as the domain of the research environment, which is the case study. It is seen and accepted as the focus of the study. To achieve this, there should be steps to conduct the aim of the study, which is by following the approaches of designing (research design), data collection/gathering, analysis and findings). These show that this study is a qualitative method with a case study design that relies on subjectivity. This subjective position exposes the reasoning to a logical process where many/multiple positions are considered subjectively acceptable and, most of the time, accurate or found to be true to effectively lead to a logical conclusion of arguments. This is because its inductive reasoning can be applied in forecasting, predicting, or influencing the behaviour of people or segments of the population on specific issues, such as fraud/or fraudulent activities in the banking industry. This is a reoccurring problem that has been difficult to solve and hence has even defied solutions. It is indeed on the rise daily and even globally. However, where the need to apply another approach to expose this criminality in the banks becomes necessary, deductive reasoning of deductive could be added to the inductive method to expand and effectively explain that knowledge. However, the strength of this research method is placed within the paradigm of interpretive/descriptive and constructive elements of epistemology and ontology, respectively (Saunders et al. 2009).

Furthermore, the research method is depicted as an in-depth procedure of probing for answers and solutions concerning the world through critical processes but not limited to the systematic use of questionnaires, experiments, and interviews (Dane 2011) and also deduced as that systematic process designed to unveil phenomena towards enhancing knowledge (Saunders et al. 2009). It has been argued that the 'strategy of inquiry' exposes varied philosophical underpins/assumptions tied to research designs and data collection (Becker et al. 2012). Bowling (2002) showed the research method as a structured and thorough process of enquiry which aimed to explain incidents by developing and testing descriptive concepts and theories. It has been described as a well-arranged investigation process on an identified subject matter designed to add knowledge (Crotty 1998).

It is both descriptive and analytical; hence, this study follows the path of the qualitative method, adopting case study design and analysis while incorporating interpretative and descriptive strategies comprehensively to achieve its goal. These incorporations are expected to strengthen this study robustly.

4.5.2 Fig 15. Diagram of Research Approach

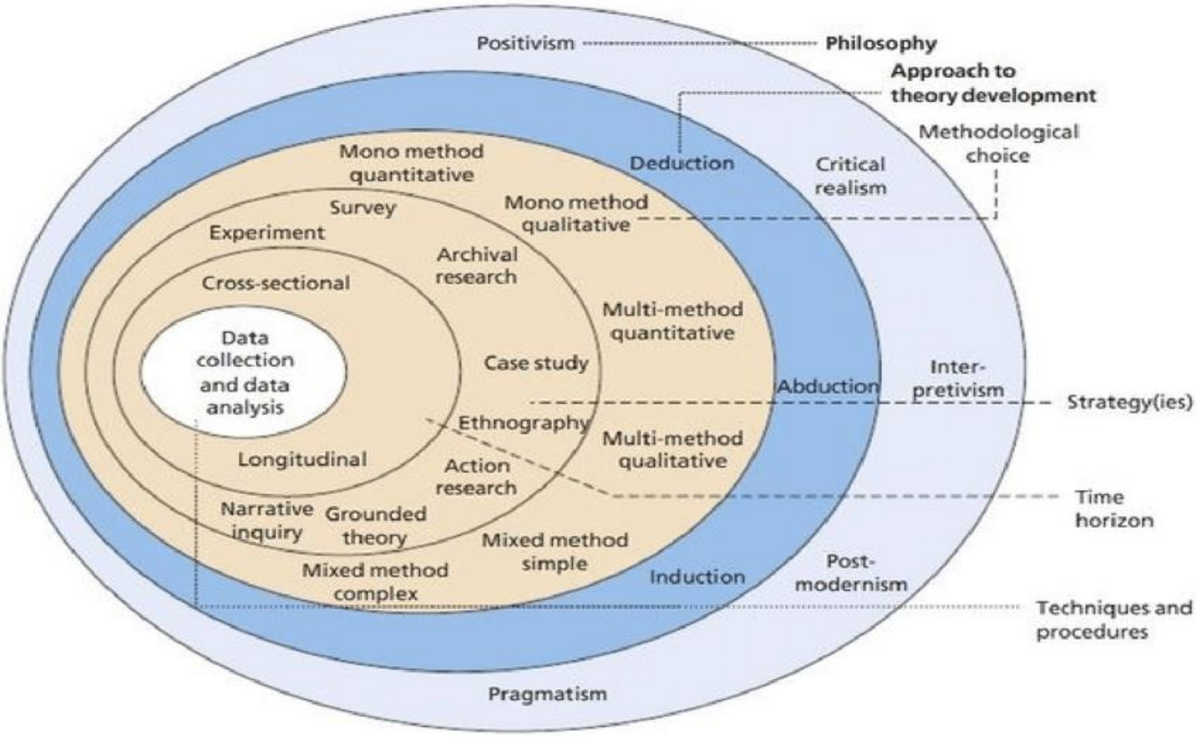


SOURCE: The above design was sourced from Abubakar (2020).

Abubakar (2020) explained that the research process shows that the steps relating/linking multi-stage activities are designed to reach their end goal. Even the partial adoption of the deductive technique embraces the review of social theories to reveal how data are gathered. It contributes to challenging the hypothesis by pointing to the revelation of a new angle. In research activities, the deductive approach emphasises developing and explaining existing theories using enquiries of research questions and hypotheses, whilst inductive reasoning is the reverse process of deductive reasoning. Inductive concludes the specific to general, whilst deductive draws from general to specific.

In this research process, the four key factors that add value to the study are the philosophical epistemology and ontology, the theories, methodologies, and the techniques of data and sampling processes, which are the inquiry tools.

4.5.3 Fig 16. The Research Onion Model



SOURCED: From Saunders et al. (2016).

The above diagram gives an insight into the make-ups/ingredients/elements/concepts that are the foundational pillars of this study. Such pillars are found in the table below for a better understanding and appreciation of this work.

4.5.4 Fig 17. Table of Explanation of the Research Onion for this Study

Study pillars	Approaches adopted
Philosophy (paradigm)	Ontology (constructivism) and Epistemology (interpretivism)
Approach to Theory	Deductive reasoning
Methodology	Qualitative method
Design strategy	Case study by Semi-structured interview
Technique and procedure	Data collection and Data analysis

4.5.2 Qualitative Method

Qualitative research is an open approach that gathers data through discussions and open-ended communications (Bhat 2020). Also, more positions argued that qualitative research has three essential attributes/characteristics in application: practical, inductive, and adaptive. However, it was noted that qualitative research has no criteria or procedure and that validity, reliability, and method appropriateness should be developed. Further issues were addressed using the qualitative research method to set up opinions, thoughts, feelings, and interpretations of some research elements. It deals with non-numeric data sets whilst being pragmatic, interpretive, and grounded with the 'live experience of people.' However, scholars have deduced that qualitative research is an action study that seeks to understand and explore topical issues (Flick 2014). Upon evaluating all the stated positions concerning qualitative methods, the case study highlights the exploration approach by capturing detailed facts as an original work.

Towards providing additional details on the reliability and validity processes employed in generating the questionnaires and the semi-structured interview, this research prides itself on the process undertaken to conduct preliminary tests to determine ethically acceptable constructs and content validity and reliability. The process and the use of the survey questionnaire and the semi-structured interview provide reliability and validation to generalisation as they fall within the acceptable standard. Towards ensuring theses, this study has refined questions whose clear statements on probing the effectiveness of board and audit are clear. The objectives and the thesis method adopted for data gathering from the sampled population are well-focused. With the precision of adopting applications of the survey questionnaires and the semi-structured interviews, the sample size is enormous and experienced enough to provide reliable data—the analysis of adopting the thematic process with the application of Nvivo.

These led to quality findings that accurately reflect the data used through the consistency of the analytical procedures. The questions adopted and authentically applied to the study participants were in-depth enough to rigorously probe for answers under acceptable probing models, such as the survey questionnaire for the pilot study and the semi-structured interview. These provide standard guides that expose the understanding of the phenomenon (fraud) under study in the Nigerian banking industry as the effectiveness of the board and audit were scrutinised. As a case study-designed qualitative approach, using an open-ended interview as a research instrument indicates that this study is reliable and valid and fulfils all criteria and yardsticks for measuring authentic and original study. It should be recognised that the constructs are reliable and valid instruments that were ethically accepted and adopted as qualitative research tools.

This study evaluates the research questions using qualitative data-gathering methods. This is tied to the fact that the qualitative method does not use numeric data sets but encourages the elements of opinions, thoughts, feelings, and interpretations (Becker et al. 2012). However, Clarke and Braun (2006) argued that using thematic analysis is simply not laying out procedures but a creative and value-added way of giving researchers a springboard into making qualitative research and a recipe for starting an adventure because of its flexibility.

The qualitative method is pragmatic, non-numerical, subjective, interpretive/descriptive and grounded in how people live and behave. However, in their behaviour, some choose to be greedy, evoking and entrenching agency problems in organisations (Ormston et al. 2014; Cicmil 2006). Furthermore, the qualitative research method is noted for being inquisitive under in-depth investigation, designed for probing and capable of making the interviewees discuss their views within a particular environment and time. Yin (2011) and Bhat (2020) argued strongly that the qualitative approach aids in understanding people’s actions in any occurrence and why they arrived at their decisions. It embraces the totality of human thoughts of ‘how’, ‘what’ and ‘why’.

4.6 Case Study

Bryman (2012) showed that a case study is a research design that requires details and rigorous analysis of one or many cases for comparison. Also listed are positions that define a case study as the study of an event identified as a ‘special case’ and a ‘method of choice’ that finds technical challenges using many data collection methods(Yin 2011) (Yin 2003, 2011). Research questions based on qualitative case study methods must be framed using ‘‘what’’, ‘‘why’’ and ‘’how’’ (Alam 2021).

More so, it has been advised that in qualitative case studies, a well-defined goal must be specific to evaluate and measure the methodology and the key drivers in data collection, research designs, analysis, and recommendations. Alternatively, it is called the statement of intention because it is designed as an action plan to achieve its aims using these keywords: identify, explore, compare, discover, evaluate, access, analyse, find, ascertain and examine (Lyons 2017).

The case study design has multiple definitions, such as a research approach between data-taking techniques and methodological paradigms. It analyses people, institutions, occurrences, and policies holistically studied using one or different approaches that can enhance knowledge and fill academic gaps. Case studies can also be the cumulation of process activity, incidence, and problems concerning actors who use different data to know occurrences that happened or ongoing incidences in a particular environment/institution (Thomas & Hodges, 2010). Such relates to ethical or financial abuses inside a bank.

A case study is a specific aspect of the qualitative research method in which the researcher’s investigations focus on a particular environmental setting. Though case studies can be Exploratory or explanatory, they help the researcher gain a deeper understanding of events by using multiple data sources like documents, observations, interviews, questionnaires, and reports. They focus on a person, event, or institution (organisation). It is a 'method of choice' to focus on the project or phenomenon under study (Yin 2003).

The choice of this qualitative design in data gathering is considered proper for studying organisations and their identified issues. The persistent fraud issue in the Nigerian banking industry has defiled solutions (AKINTOLA and OLUWALAIYE) despite adopting the CG framework, which has attracted the writer's attention, hence the topic. By aiming to examine the Board of Directors and Audit Committee towards mitigating fraud in the banks, this study eloquently has spread out diverse but related objectives chosen to aid the provision for the attainment of solutions to this endemic ill.

While admitting that case study design concentrates on the identified issues (such as fraud), it has been posited that it gives rich insights and varied views that enhance knowledge and understanding of issues, problems, and variables under study. This design gives detailed views, opinions, reviews, and analysis of existing literature, as well as deeper understanding and design techniques to collect first-hand/primary data from the found sources (Marrelli 2007).

This research design has the propensity to combine rigour, relevance and pragmatism (Darke et al. 1998). It acts as a device to understand the complex relationship between administrative behaviour and corporate effectiveness (McClintock 1985). For complex subjects in real-life corporate settings, such as fraud, a case study has the capability of not only being used to generate an in-depth but also aids in enhancing multifaceted understanding (Crowe et al. 2011) whilst being a potential instrument and a compelling research guide for new investigative writers (Fusch et al. 2017).

As emphasised, this case study centred on the role of CG mechanisms in mitigating fraudulent activities in the Nigerian banking industry, which dialectically libels or classifies it as a single intrinsic subject. Its approach examines the board and audit as the fundamental mechanisms in the banks’ practised framework in financial Horizon Nigeria. It uses surveys and in-depth interviews to research this sample population.

However, several scholars made their postulations after examining case study data collection processes. Zainal (2007) and Marrelli (2007) argued that a case study is a ‘controversial’ research method to gather data but also gives researchers leverage to move to a quantitative method of statistical results and understanding behavioural situations in society and organisations.

Existent studies (Yin 2003, 2011; Yin et al. 1985; Yin 1992; Zainal 2007; Marrelli 2007; Thomas and Hodges 2010; Bryman et al. 2007) agreed that a case study is an empirical inquiry that examines, explores, and investigates sampled data of the phenomenon under study. These real-life activities must undergo contextual analysis where their links are proven and the disclosure of sources of evidence used. As an approach for data gathering, a case study exposes the engagement of the researcher and the sampled participants.

Marrelli (2007) posited that the implementation processes of this unique interaction would enable the researcher to gather data, choose and structure them, develop themes, find some ideas, and subordinate or remove the unfits whilst finally linking and embedding the ideas to form a narrative context.

Upon the first completion of the survey indicative analysis of findings/reports and discussions in the earlier chapter of this study, the next focus of this study is the semi-structured interviews. For this method, the electronic formats are employed through online interviews using Skype, Zoom, Microsoft Teams, or Google Meet. People use these popular platforms for conferencing solutions and virtual collaborative engagements such as for meetings and spot transmitting of events. Pens, jotters, and tape recorders would be used to ask how, why, and what about bank fraud. Through either medium/platform, primary data will be looked for and received, analysed for the sake which this research has been destined to achieve for knowledge's sake.

4.6.1 Interview Approach/Technique

A qualitative researcher using a case study design can adopt varied approaches to data gathering. Some of these techniques include survey questionnaires and interviews. Admittedly, Gillham (2000) opined that a case could be individual (Persons), group (family), institution (school, business concern) or community (town, a profession, industry), while a case study is used to investigate the above-listed cases in answering specific questions related to the research through the evidence sought. This evidence must be looked for and collated to give the best possible answers to the research questions. The paper argued that a lone source of evidence needs to be sufficiently valid and that once a researcher gets data, they would not figure out the proper theories (explanations) to adopt.

The qualitative case study offers evidence of subjectivity having phenomenological meanings even when objectives are not ignored. Seeking the underlying reasons through this process leads to results. These outcomes are the variable keys to understanding the solution. Case studies are descriptive, exploratory, or explanatory (Yin et al., 1985) or evaluative or interpretive (Zainal 2007). More so, it could still be found, specifically, on the platforms of being instrumental, intrinsic, or even as being collective (Stake 1994). However, in the view of creating new knowledge, evidence is the raw material needed, which can be used in two key ways notably- the scientific findings (natural science) received from experiments or by controlled investigations that gave concrete/proven results, and the judicial evidence that is instigated, evaluated and proven (Gillham 2000).

This case study would be subjective based on inductive reasoning because it will not pass through scientific experiments. It is an emergent design based on participation but with the expectation to give birth to results wrapped with qualitative data gathered. The process supplies the leeway to outcomes that will acknowledge the occurrence of changes, which can be linked to the data gathered. Through this design, context must be acknowledged to shape affect behaviour as evidence must be continually sought, not constructed (Gillham 2000; Yin 2003; Becker et al. 2012).

4.6.2 Types of Interviews in Research

Interviews are vital in research because they provide first-hand data and guidance for concluding issues/concepts being addressed by the researcher. They are also vital because they offer rich insights into the interviewees' lives, experiences, opinions, values, aspirations, attitudes, and feelings (Magrus 2012). Interviews also help expose organizational issues and phenomena for greater understanding and show ways to articulate views for solutions.

There are diverse types of interviews acceptable in social research studies, such as unstructured, semi-structured, structured, and focus group interviews (Magrus 2012). Unstructured interviews are usually flexible but open-ended questions. It shows that no question is planned or predetermined before the interview. Another name for an unstructured interview is non-directive because there is no designed pattern, structure, or arrangement to follow in advance. Structured interviews involve administering set questions that follow each other sequentially/in each order as planned. They are questions that are pre-determined in the topic in the topic and arrangement and are close-ended in nature because they enable the researcher to weigh responses and plan for the next course of pattern to adopt. Semi-structured interviews (which this study adopts) combine both elements shown and involved in the unstructured and structured interviews. It stands for a few questions that are predetermined while others are not. Its great advantage is that it merges the advantages of both the unstructured and structured interviews into one, thereby offering the researcher the idea of formulating follow-up questions to ask the interviewees. As open-ended questions, the researcher's flexibility is unlimited, as responses can easily be compared in exploratory research.

Researchers who decide to adopt or get involved in the semi-structured interviews are expected to be experienced in understanding answers to proffered questions and when and where to draw follow-up questions to cover how, what, and why that is associated with the qualitative research methods. Interestingly, it also offers details. Focus group interviews are another mode researchers adopt to generate data. Though efficient, it only offers avenues for a few questions. Even when its advantages of being organised at low cost and supplies leeway where open but varied questions could be asked, it poses the risk of bias and destroys confidentiality. Lack of confidentiality in specific research leads to ethical breaches in critical studies (Magrus, 2012; Yin, 2016, 2018; Bryman, 2007; Bryman and Bell, 2015).

4.6.3 Adoption of Semi-Structured Interview

Qualitative research interviews are about the generation of data through asking questions. Based on earlier identification of the stand of this study, it is reiterated that it is focussing on semi-structured interviews. This is because the interview is an open-ended method, offers a high-flexibility nature, combines the advantages and strengths of both unstructured and structured interviews, is administered with experience, and enables the supply of answers in detail. One of the primary reasons for adopting the qualitative method of semi-structured interviews for this study is for effective data gathering through the two-way communication of learning answers to questions. In terms of analysis, an effective semi-structured qualitative interview is straightforward, dependable, flexible, and notably fair while being conducted.

Also, it aids in the growth of knowledge and understanding of the reasons behind answers. It aids in examining the views of Nigerian bankers about the challenges facing the CG mechanisms and how to make them practical to prevent fraud in Nigerian banks. The issue of fraud is sensitive and hidden, but through this interview, beliefs, feelings, and thoughts that could be acceptable as personal could be exposed during this method of open-ended discussion.

Another beneficial reason is that it gives the respondents enough time to settle and discuss issues of prime importance, just as it supplies data of qualitative substance, unlike past data that cannot be placed. Also, it will prove to be an approach for this researcher while collecting a qualitative case study open-ended data from participants. This is because the measuring abilities it offers when candidates are compared using the same question is a phenomenon in evaluation. Indeed, this interview technique presents no expectations but more unscheduled interviewing time with no specific format for such discussions.

A semi-structured qualitative interview is based on what this researcher has creatively developed through an interview guide. This free-flow conversation can be tailored uniquely through skill and experience. This guide has the benefit of having several questions relating to the effectiveness of CG in a challenging environment polluted with corruption, such as Nigeria. Therefore, this interview pattern delves deeply into issues of crux importance to expose them and has an uncommon way of supplying solutions. Peterson (2020) argued that online survey questionnaires could be shaped by the outcome of the semi-structured interviews while asserting that the interviewees' reliability and competence give credence to the data gathered. Furthermore, this scholar adduced the criteria for choosing interviewees, including the industry sector, seniority/level of influence, and knowledge of the subject matter.

Another benefit of this interview is that in data collection, it will prove to be an approach for this researcher while collecting a qualitative case study open-ended data from participants after exploring issues relating to the board and audit as mechanisms of corporate governance designed as strategies to stem the growth of fraud in the banks.

4.7 The Study's Data Collection Methods (Case Study)

Both primary and secondary data collection methods will be adopted for this qualitative case study, which will be descriptive and analytical with inductive reasoning. The essence of adopting these methods to this study is for the provision of reliability and creation of robustness it deserves because the contextual framework of this study deserves contextual distinctions; hence, there is a need to organise ideas within the approved guidelines. This study focuses on a contextual banking environment (Nigerian banking industry) by examining the corporate governance mechanism to mitigate fraud.

This point of case study data collection was through the conceptually designed framework, which incorporates the aim, research questions with identified objectives, some reviewed literature, and some identified related variables. More so, this study encapsulates theoretical, methodological, and philosophical strands recognised in the order of qualitative research, leading it to this stage of data collection and its subsequent analysis. A questionnaire-based survey will be used to know/determine the sampled opinions of senior bankers/bank employees and experts (outside intelligence) regarding the state and industry concerns regarding challenges encountered in implementing corporate governance to mitigate fraud. All the selected participants were chosen through the Internet and virtual venues, and Microsoft Forms were consecutively applied.

4.7.1 Primary Data Collection

There are different strategies in data collection; hence, social scientists have been identified as employing those suitable for their studies. For this design, the data-gathering processes will include a questionnaire survey and semi-structured interviews. This data collection process is significant because it involves gathering a large amount of raw data strategy using a small selective sample that is judgemental/purposive and subjective. This will be relied on as a non-probable sample that would be used as a yardstick to measure those to be the chosen population.

By this method, this study intends to get as much information as possible from the participants/respondents/interviewees directly through the online semi-structured interviews and the structured questionnaire surveys. The Microsoft Form would be used as a channel to generate data even as the semi-structured interview collection would also be done virtually on the Microsoft Teams, Zoom and Google Meet platforms. The interviewees are expected to select any of these elements for the interview: identification of their chosen virtual venues, dates, and times. After the interviews, the raw data collected will be transcribed and analysed using thematic analysis, where the data will be coded, themed, and sub-themed. As mentioned earlier, the NVivo method of qualitative analysis will be adopted to show the robustness of this study.

However, adopting these online processes will benefit this researcher in terms of resources, time, and other miscellaneous issues associated with long-distance trips from one nation to another. Such could be the costs of international and local journeys, hotel bookings, the stress of travelling, its associated dangers that could affect the safety of the researcher and interview materials, cost of time, inconveniences of booking for the trips and the physical meetings with the interviewees. These can be encapsulated in the levels of safety, costs, reduction of both interview and desirability bias, and other miscellaneous outcomes that could emerge. Another considerable advantage of this study that will benefit from technology is that all the Participants, previously unknown in all ramifications, will be recruited through their banks' websites, where their audited annual financial reports are deposited for public view. These provide reliability and validity for this research.

4.7.2 Research Design

Some scholars have described research design as the researcher's blueprint. The blueprint planning process must be tailored to consist of three critical characteristic stages: research questions, research objectives, and data collection. As exploratory work, research design is concerned with planning and organisation using primary and secondary data collection methods (Abutabenjeh and Jaradat 2018). Magnus (2012) admitted that no single way of data collection exists, but the nature of the researcher's study would decide the best-suited approach(es) to adopt for data collection.

Based on the research questions of this study, it becomes necessary to adopt the underpinning views that lie within the epistemological philosophy, where the paradigm of interpretivism will be adopted for the sake of knowledge. This will aid in exposing the menace of fraud lurking within the Nigerian banking industry and guide supply solutions to mitigate this agency problem. There is no doubt that the ontological perspective of this study lies in the reality of the subjectivity of human minds. Through this perspective, the research design of this study is prepared to address the role of corporate governance mechanisms such as the board and audit directly in mitigating fraud from the Nigerian banking industry. Considering arguments based on the design of the methods and objectives, semi-structured interviews would be adopted to gain deeper insights into the effectiveness of the board and audit in mitigating the crime of fraud in Nigerian banks.

In this research design, structured questionnaires were formulated to be essential for primary data. These preliminary survey questionnaires focused on the Nigerian banking industry, where the participants were chosen, and where the subject topic is situated. The essence is to examine the role of corporate governance mechanisms in mitigating fraud in Nigerian banks; some mechanisms, characteristics, and compositions were considered in the questionnaire as a build-towards the semi-structured interview, which would come up after the data collection and analysis. The basis for developing this method is rooted in or stemmed from the literature review.

As of date, this researcher is still collecting data as the encouragement and support from bankers in Nigeria have been tremendous. This systematic design approach supplies the primary mode of data collection through semi-structured interviews and questionnaires. It is imperative to underline that designs could be either holistic or embedded. In each case, the holistic designs need only one data analysis unit, while multiple analysis units are attached to embedded designs.

This work's research questions will address theoretical positions using agency and stakeholders' theories. This is because both theories are well grounded on the phenomenon and conceptual issues which are associated with CG; hence, they will be beneficial in the exploration towards finding and understanding the basis for the evaluation of the roles of CG towards stamping out or drastically reducing frauds in the banks. Moreover, their complementary and flexible characteristics, which help us understand institutional key actors in CG mechanisms, such as the board and audit, would lead us to examine their intrinsic characteristics/compositions. These would aid in making them imperative to be adopted in answering these questions. Another reason is that they are structurally grounded in giving elaborate opportunities and awareness to deeply search and expose similar issues that are endemic in this system of CG in the Nigerian banking industry.

Hence, the role of corporate governance mechanisms in a corrupt environment such as Nigeria, where banks operate as institutions/organisations, will be examined and analysed to provide solutions to stem the tide.

4.7.3 Participants Engagement

For any qualitative researcher to be involved in research, special considerations should be given to the aim, objective, design, understanding of the corporate entity/entities the research would focus on, and getting some considerable samples of the population with permission towards data gathering. There are varied non-probability techniques available to researchers, such as non-probability sample selection, self-selection sampling, and purposive sampling. It is essential to understand that the number of selected participants for the project must be determined by the research purpose/aim, which should represent the area or the direction of the study.

With these taken into consideration, the recruitment or selection drive for the study participants must be meticulous in practice as they act as the vital tool for making the study materialised. The participants embody the data needed for the project's materialisation, either for the pilot study/or foundation study where a survey is conducted or for the primary interview. For this researcher, the abundant evidence or proof of fraud in the Nigerian banking industry, despite the practice of corporate governance, is the tonic of encouragement to find solutions to end it. More so, the theoretical views support the investigation of the effectiveness of the board and her subset; the audit lends credence towards the selection of this study's participants. The phenomenon under examination is significant and can cause distress for the banks, depositors, and the nation’s economy. Moreover, with the application of purposeful sampling where, this study selects information after their identification because it relates to fraud; hence, this researcher is determined to identify and select high-quality information that is related to fraud, the banks, and the apex structure of the bank- the BODs and her Audit. Fraud is an attention-catcher issue in any organisation or government (Palinkas et al. 2015).

The focus of this case study is the Nigerian banking industry. This researcher engaged participants to be part of this study through online recruitment as no prior relationship existed among them before this process. Using online procedures from the researcher's unhealthy wallet created difficulty for an expensive and risky intercontinental distance journey coupled with the COVID-19 pandemic. This made it difficult and imperative for this researcher to depend on this available and alternative source, which was to resort to adopting the internet as an avenue to source for participants and the gathering of data. The cost-effectiveness of using online was the initial attraction. However, other advantages emerged, such as safety, accessibility, flexibility, anonymity, accuracy, ease of gathering and analysing data, faster, suitable for large sample sizes, more reliability and acceptability, better validity, saving time, risks, and efforts of a researcher. (Rice et al. 2017; Fricker and Schonlau 2002; Lefever et al. 2007)

For this thesis, the participants' selection was a conscious effort considering the nature of this study through recognition of the elements of why, how, and what as the bases for the formulation of the questions which the literature guided also aided in defining the two objectives. Other variables include the identification of the study population, examining the samples, the method, and the population size for recruiting the participants. As a case study project, this choice gave the researcher a vivid idea and guideline of what to seek and how to identify the process ethically. Choices have been identified as a cyclic process posited to be characterised by a reoccurrence of individual reflection and critical questioning (Reybold et al. 2013). Having identified the sampled population, critical efforts were made online to search and contact them through their emails. They were furnished with the following: Introductory letters with supporting documents vetted and approved by my supervisor were attached and sent. The attached copies include a cover letter, The Required Research Participants Information Sheet, the Invitation / Importance letter, The Research Participant Letter, The Research Informed Consent Form, and The Research Consent Withdrawal Form. Through this online recruitment method, this researcher adheres to the university's ethical guidelines and the UK GDPR Act of 2018. Secrecy, respect and confidentiality of information, and ethical data handling were expressed in documents as assurances. Hence, prior consent and withdrawal forms were also designed to obtain participants' permission after the first introduction engagement. Most importantly, the participants were volunteers and were not chosen (Saunders 2012; Saunders and Townsend 2018), and this researcher used an email method of communication with the research volunteers.

The assurance processes represent key ways to assuage their fears and help the participants understand that anonymity will be respected and kept, with due processes and procedures followed. These essential requirements relating to confidentiality were severally posited as critical assurance measures, even as they were informed that their name, surnames, or anything that would assist in identifying them would be erased.

The participants gave direct consent without force, coercion, support/or proxies. This researcher took extra care not to allow an underage or non-banker to be part of this survey questionnaire. The participants were divided into two categories: active bankers and the directors. The first engagement process was the final recruitment of the fifty-six bankers who volunteered for the online survey questionnaires. Microsoft Forms was used to administer the survey questionnaire. At the same time, the second batch consisted of the directors of the banks, whose semi-structured interviews were conducted through the Microsoft Teams, Zoom, and Google Meet platforms.

The purposes of adopting the precursors were for triple reasons: (1) to test the ground by capturing the present knowledge and understanding of the banks in Nigeria based on the concepts of corporate governance, the existing structures and their compositions in their banks, and the existence of fraud; (2) these forerunners acted as vehicles for data collection; (3) to aid in strengthening the understanding of the information/data/knowledge this researcher derived from the extant literature which this research focuses on. The combination of these active bankers' Microsoft Forms-collected data and the Literature-provided data assisted this researcher in strengthening his understanding of the concepts. Equally, it aided the researcher's formulation, development and structuring of the questions for both the board and her subset- the audit for the open-ended interview. The structuring of the final questions was designed to attain the research purpose and achieve answering its two objectives. The objectives are *to examine the board of directors' effectiveness in mitigating fraud and The audit committees' effectiveness in mitigating fraud in the Nigerian banking industry under this qualitative case study designed topic*: *The role of the CG mechanism in mitigating fraud in the Nigerian banking industry.* The key CG mechanism in the Nigerian banks is the Board of Directors and her subset- Audit Committees. The directors sit as the representatives of CG and shareholders and are at the apex of the bank's structure, with the responsibility of mitigating fraud, amongst others.

Furthermore, the formulated questions were structured and delivered to the board of directors and the audit committee members through the online open-ended interviews in chapters 5 and 6 of this thesis. More so, the independent directors were focused and adopted for objectivity, independence overview, and assurance of/in the system (Law 2011; Nowak and McCabe 2003).

Previous studies (Zhao et al. 2013; Ayala and Elder 2011; Smith and Sparkes 2016) explained that the population of participants is the collection of people who would make inferences regarding a subject matter that they have the knowledge and understanding. The success of any investigative study depends on the choice of the study population; hence, identifying a promising population is the researcher's task. The sampled population for this study is the Nigerian banking industry, where the active bankers were contacted through their online email addresses, discussions and engagements—the forwarding of documents relating to this thesis. The same applies to the directors whose names and emails were taken from the internet. An online survey questionnaire was used for the bankers, and a view was adopted for this thesis.

4.8 Survey Questionnaire

The pilot survey questionnaire for this study came from the literature review, which helped frame the aim and objectives. The literature review exposed the missing links and gaps in why fraud remained unabated in the Nigerian banking industry (like most corporations). The spates of fraud led to introducing corporate governance to mitigate it.

The survey questionnaire provided selective questions designed to gain foundational insights into the Nigerian bank to ascertain expositions discovered in the extant literature. The research questions were developed and framed using the qualitative case study design, including why, how, and why. This research focuses on study design problems, which embraces the development of questions, the literature review, and finding and understanding the population. Scholars (Frankel and Devers 2000; Yates and Leggett 2016) adduced that understanding the logic or reasoning of the inductive qualitative method assists in exposing various human situations, experiences and meanings, and where the designs are adaptable to discoveries, ideas and possible concepts, then it should be seen as being hence dynamic. Additionally, knowing that the qualitative approach in any research is often non-linear and non-sequential helps us to understand how questions are formulated. These research questions were formulated after understanding what CG and fraud represent by the knowledge exposed through the literature.

The qualitative method is best positioned to address the research questions of this research because it assists in generating a hypothesis, causes deeper exploration, and provides in-depth insights into real-time and real-world issues, with the elements of why, how and what as a basis for the research question, it enables knowledge and understanding of experiences, phenomena, and context to grow. This method, though flexible and does not use numbers, aids researchers in getting a complete understanding of occurrences or phenomena under study. Hence, it is often subjective and open-ended. The qualitative method provides specific answers that quantitative design cannot. With the qualitative method, the cost of data gathering is low even as the method gives detailed information on complex matters and presents multi-dimensional approaches to gathering sensitive data (Hancock et al. 2001; Saunders et al. 2012; Yin 2015).

To achieve this aim and the objectives of this study, the sample size was considered to generate information from the population by using purposive sampling. It aids the researcher in inquiring for information relating to the participants, board, audit, and fraud. Evidence showed that participants were willing, ready, and available to participate in the survey. This aids this researcher in understanding the characteristics and compositions of the mechanism under study, such as sizes, number of meetings in a bank's fiscal year, gender representation with a concentration on women, and CEO duality. Each question allows participants to respond based on their experiences and knowledge of their environment's on-goings. This questionnaire is the first phase of data collection. Magrus (2012) posited that a questionnaire survey is designed with questions to gather responses from a chosen sample of participants.

Microsoft Forms was chosen to convey the questions to the study participants and get them to respond quickly because of the benefits of creating surveys and other related tools. MS Forms also affords real-time online response, with its massive advantage in analytical and evaluative responses. The tool was designed for what it does—surveys—which enables one to write less while easily exporting results to Excel for detailed analysis or grading.

A survey questionnaire is a valuable instrument for collecting data from participants because it is a recognised research tool used after the researcher finds a research problem to generate data for the study. The next phase will be conducting semi-structured interviews for in-depth exposure toward achieving the thesis aim and the first two objectives related to their effectiveness in mitigating fraud in the Nigerian banking industry.

4.8.1 Fig 18a. Table guide on Structure and placement of the Survey Questions

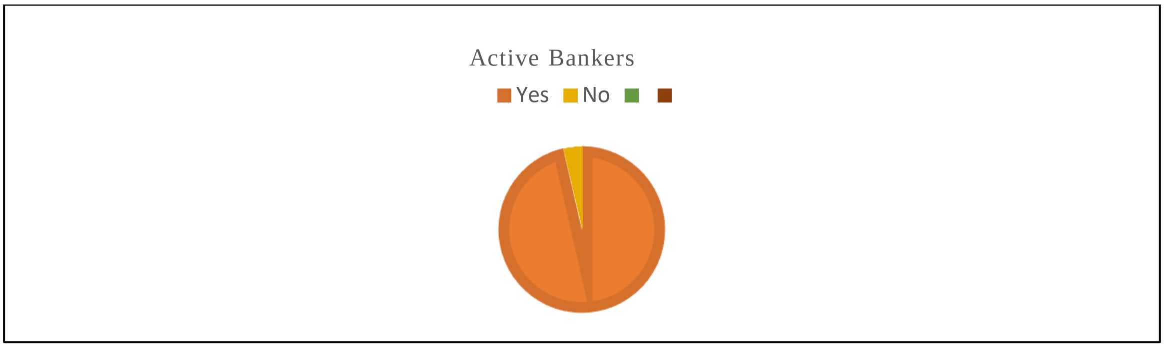
Questions classification	Placement of Questions	Number of questions	Total number of questions
Personal Demographic Status	1-3	3	15
Nigerian-related Questions	4-15	12	

4.9 Data Analysis of the Survey Questionnaire to the Banking Participants

Below are the survey data collected and analysed with the identified findings. Though survey questionnaires are associated with quantitative methods, the analyses here are based on a simple descriptive qualitative approach to expose the sampled data from the active bankers.

4.9.1. Question 1: Please tick a box to indicate if you work in the Nigerian banking industry.

Fig 1: Active Participants in the Nigerian Banking Industry

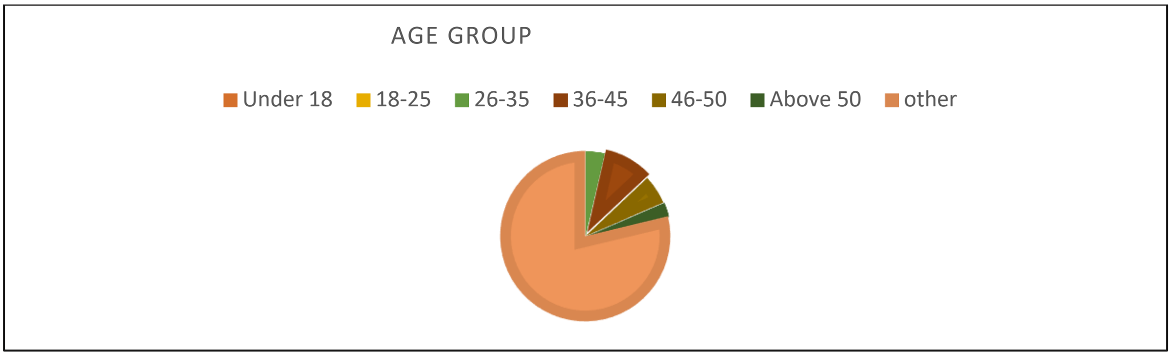


The survey or data presented indicates that 54 respondents are actively working in the Nigerian banking industry. Only two respondents did not work in the Nigerian banking industry. The results are also presented in the figure above.

4.9.2. Question 2: How old are you?

The data of participants shows that the age category "36-45" is the most common, representing 77.42% of the respondents, while "46-50" and "Above 50" make up 45.16% and 22.58% of the respondents, respectively. Notably, there are no respondents in the "Under 18" or "18-25" categories, and no one preferred not to disclose their age. Additionally, two respondents are in the "Other" category, constituting 6.45%. This distribution provides significant demographic insights that could aid in strategies to make or develop decisions for marketing or product/service customisation based on age groups.

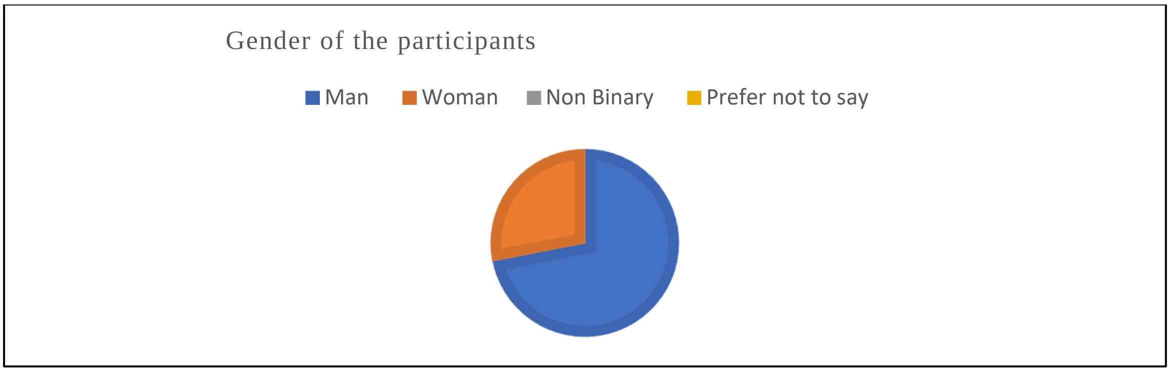
Fig 2: Age Group of the Participants



4.9.3. Question 3: By what gender do you identify yourself?

The participants' data indicated that 64.29% of the respondents identify as "Man," while 35.71% identify as "Woman." Notably, no respondents identify as "non-binary." The responses are also presented in the figure below.

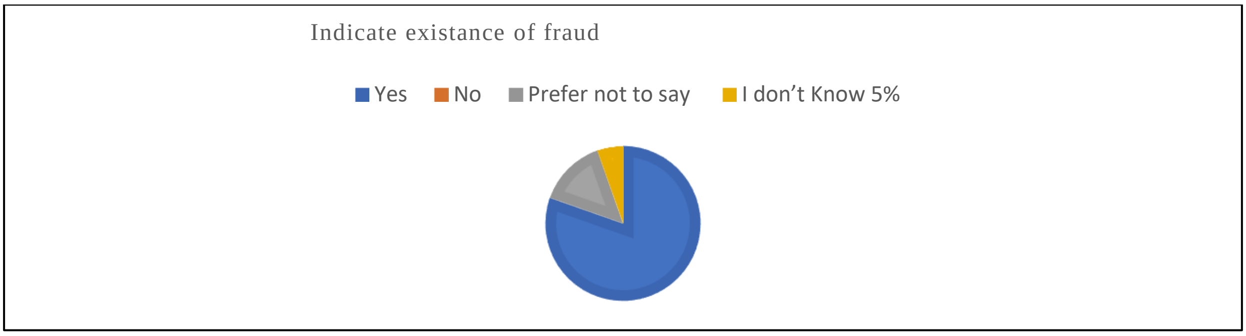
Fig 3: Gender of the Participants



*4.9.4. Question 4: Please tick a box to indicate that fraud exists in your bank***.**

In response to the question regarding fraud within their bank, the data reveals an interesting trend among the respondents. Out of the 56 participants, a significant majority (80.36%) (45 individuals) believe that fraud exists within their banking institution. Notably, none of the respondents provided a "No" response, indicating that no one in the sample believed fraud was absent. This underscores a general perception among the participants that fraud is a reality in the banking sector. Furthermore, a smaller segment, constituting 5.36% (3 individuals), expressed uncertainty by selecting "I do not know," while 14.29% (8 individuals) preferred not to disclose their opinion, choosing the "Prefer not to say" option. These responses could indicate varying levels of awareness, reluctance to discuss the topic openly, or potentially a lack of information about fraud within their respective banks. This data highlights the need for further investigation and transparency within the banking industry to address fraud-related concerns.

Fig 4: Participants indicate the existence of fraud.



4.9.5. Question 5: Please tick a box to indicate that your bank adopts a Corporate Governance framework.

All 55 respondents have indicated that their bank adopts a Corporate Governance framework. None of the respondents answered "No," "I do not know," or "Prefer not to say," suggesting a unanimous agreement among the participants that their bank has implemented a Corporate Governance framework.

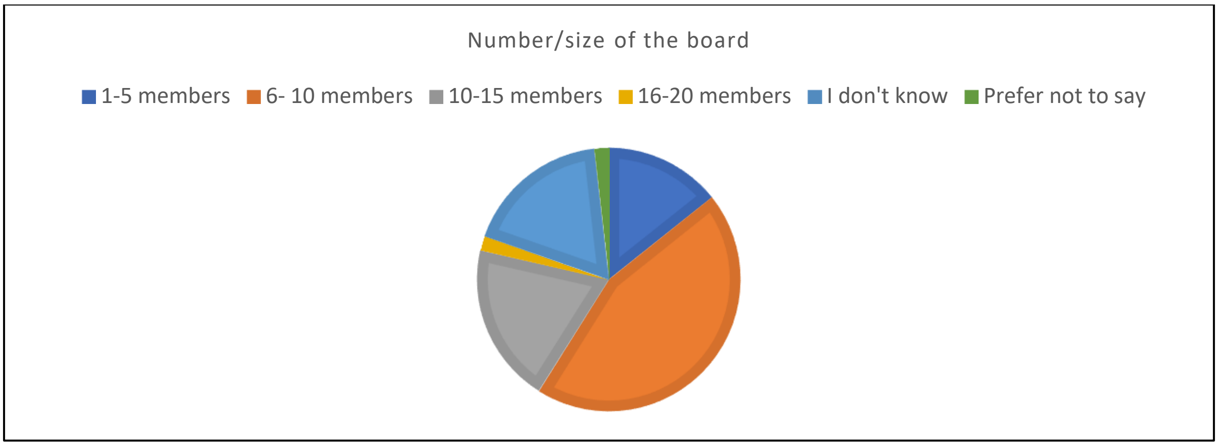
4.9.6. Question 6: Please tick a box to indicate that your bank has an existing Board of Directors (BOD).

All 54 respondents have indicated that their bank has an existing Board of Directors (BODs).

None of the respondents answered "No," "I do not know," or "Prefer not to say," indicating a unanimous agreement among the participants that their bank indeed has a Board of Directors.

4.9.7. Question 7: Please tick a box to indicate the number (size) of the Board in your bank.

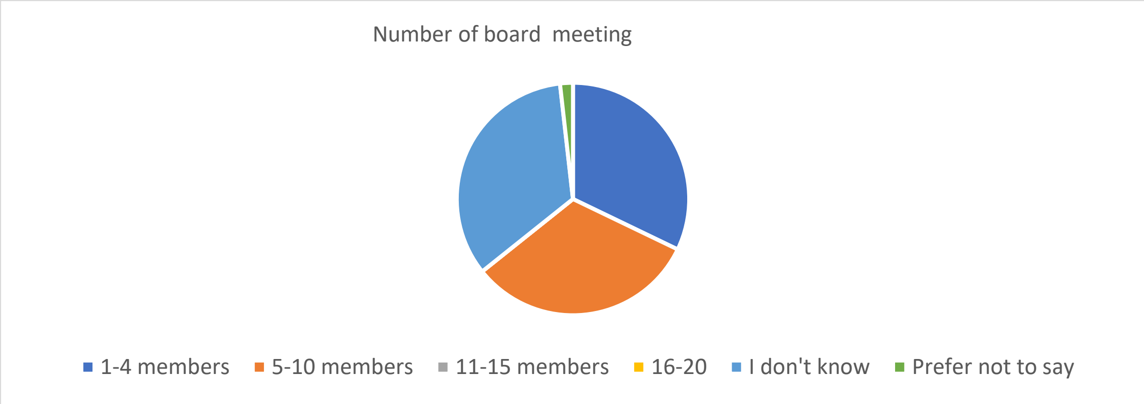
Fig 5: Size of the board



In response to the question about the size of the Board in their bank, the data reveals diverse patterns among the respondents. Among the participants, 14.29% indicated that the Board in their bank consists of 1-5 members. A more considerable proportion, constituting 44.64%, reported that their Board comprises 6-10 members. Additionally, 19.64% of respondents mentioned that the size of the Board falls within the range of 11-15 members. However, there needed to be more representation in the higher ranges, with just 1.79% stating that their Board consists of 16-20 members. Notably, 17.86% of respondents claimed uncertainty by selecting "I do not know," while 1.79% chose "Prefer not to say." These responses underscore a significant variation in the size of boards across the surveyed banks, with the majority having boards composed of 6-10 members. Still, a notable portion expressed uncertainty about the specific size. Further investigation may be required to understand the reasons behind this diversity in Board size within the banking sector. Data is also represented in the figure below.

4.9.8. Question 8: By ticking a box, please indicate the number of Board meetings within your bank's fiscal year.

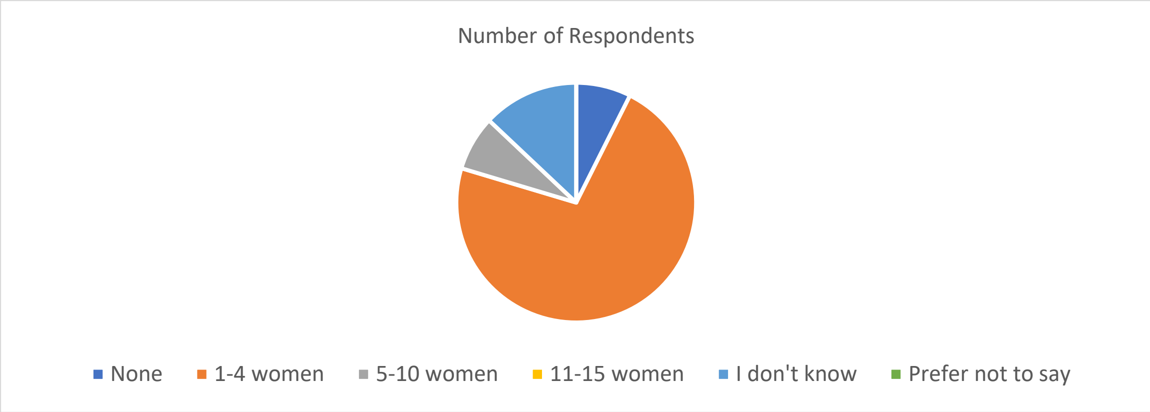
Fig 6: No. Of board meeting



In response to the question about the number of Board meetings held within their bank's fiscal year, the data reveals exciting patterns among the respondents. Exactly 32.14% of participants reported that their bank conducts 1-4 Board meetings. Meanwhile, another 32.14% stated that their bank holds 5-10 meetings within the same period, indicating an equal distribution between these two categories. Surprisingly, none of the respondents reported having 11-15 or 16-20 Board meetings, suggesting that more frequent meetings are unjoined among the surveyed banks. Furthermore, 33.93% of respondents claimed uncertainty regarding the number of meetings by selecting "I do not know," while 1.79% chose "Prefer not to say." These responses represented the diversity in the frequency of Board meetings across the banks, with a balanced representation between those holding 1-4 meetings and 5-10 meetings. At the same time, a sizeable portion remains to be determined about the precise number of meetings. Further exploration may be required to understand the reasons behind the frequency of these meetings and the varying levels of awareness among respondents regarding their bank's practices.

4.9.9. Question 9: Please tick a box to indicate how many women are represented on the Board in your bank.

Fig 7: Number of respondents



In response to the question about the number of women on the board of their bank, the data reveals several critical insights among the respondents. Notably, most respondents, accounting for 65.00%, reported 1-4 women on their Board. In contrast, a small percentage of 6.67% mentioned that their Board has no women, while another 6.67% stated that there are 5-10 women on the Board. Surprisingly, none of the respondents reported having 11-15 women on their Board. Additionally, 11.67% of respondents expressed uncertainty regarding the number of women on the Board by selecting "I do not know," while no respondents chose the "Prefer not to say" option. These responses indicate a range of gender diversity within the surveyed banks, with the majority having between 1 and 4 women on their boards and a portion remaining uncertain about the exact representation of women.

4.9.10. Question 10: Please tick a box to indicate if the CEO is also a member of the Board.

Fig 8: CEO's membership on the board

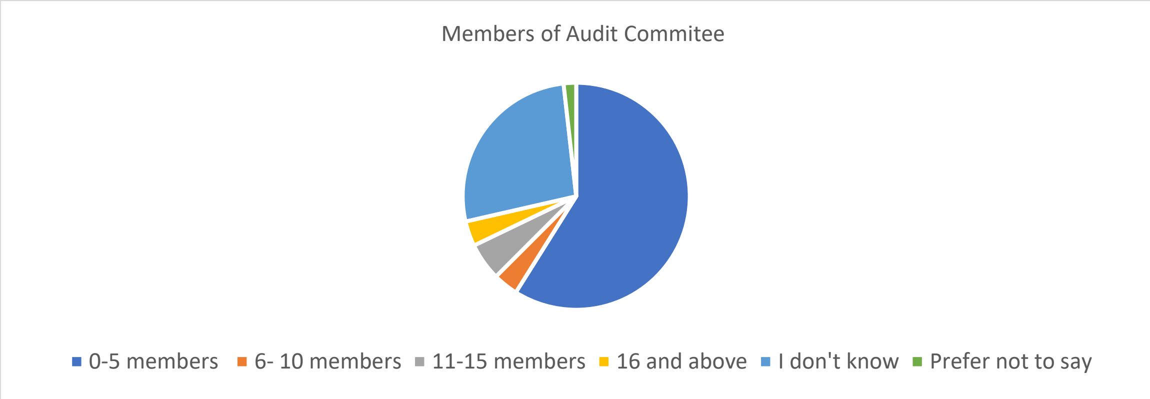
In response to the question regarding the CEO's membership on the Board, the data reveals that a significant majority, constituting 88.89% of participants, indicated that the CEO is indeed a member of the Board. This suggests a widespread practice among the surveyed banks of the CEO holding a position on the Board. On the other hand, a small proportion of 7.41% expressed that the CEO is not a member of the Board, indicating a separation between the roles of CEO and Board member in these institutions. Additionally, a minimal percentage of 1.85% answered "Maybe," signifying some ambiguity or uncertainty regarding the CEO's role on the Board, while another 1.85% selected "I do not know." Importantly, none of the respondents chose "Prefer not to say." These responses highlight the various arrangements within the surveyed banks, with most having their CEO as a Board member. At the same time, a smaller portion maintains separation between the roles, and some uncertainty persists in a minority of cases. Further investigation may be necessary to understand the reasons and implications of these diverse practices.

4.9.11. Question 11: Please tick a box to indicate that your bank has an existing Audit Committee.

In response to the question about the presence of an Audit Committee in their banks, the data reveals a clear and unanimous trend among the respondents. All 54 participants, accounting for 100% of the total respondents, have confirmed the existence of an Audit Committee within their respective banks. This suggests that establishing an audit committee is a standard practice across the surveyed banks. The absence of "No," "I do not know," or "Prefer not to say" responses indicates an elevated level of awareness and certainty among the participants regarding the presence of an Audit Committee in their bank.

4.9.12. Question 12: Please tick a box to indicate the size of the Audit Committee in your bank.

Fig 9: Members of the audit committee



In response to the question regarding the size of the Audit Committee in their bank, the data reveals several insights among the respondents. The majority, comprising 58.93% of participants, reported that their bank's Audit Committee consists of 1-5 members. In contrast, a smaller percentage of 3.70% mentioned that their Audit Committee comprises 6-10 members, while 5.56% stated that it has 11-15 members. A similar proportion of 3.70% reported that their Audit Committee is more prominent, with 16 members or more. Notably, 27.78% of respondents claimed uncertainty regarding the size of their Audit Committee by selecting "I do not know," and a minimal 1.85% chose "Prefer not to say." These responses indicate variation in the size of Audit Committees across the surveyed banks, with the majority having smaller committees with 1-5 members and a notable portion expressing uncertainty about the specific size. Further investigation may be necessary to understand the reasons behind this diversity in Audit Committee size within the banking sector.

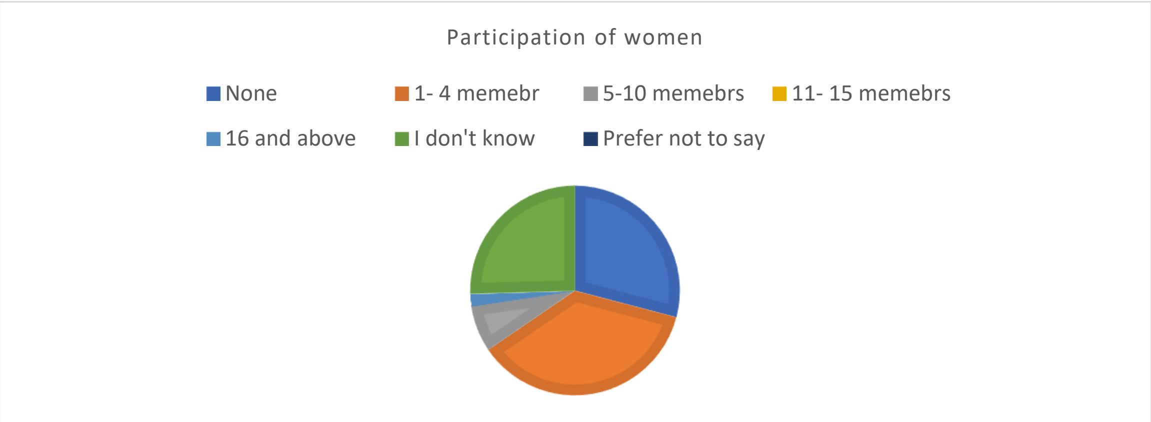
4.9.13. Question 13: Please tick a box to indicate the number of the Audit Committee meetings within your bank's fiscal year.

Fig 10: Number of the Audit Committee meetings within your bank's fiscal year.

In response to the question regarding the size of the Audit Committee in their bank, the data reveals several insights among the respondents. The majority, comprising 58.93% of participants, reported that their bank's Audit Committee consists of 1-5 members. In contrast, a smaller percentage of 3.70% mentioned that their Audit Committee comprises 6-10 members, while 5.56% stated that it has 11-15 members. A similar proportion of 3.70% reported that their Audit Committee is more prominent, with 16 members or more. Notably, 27.78% of respondents claimed uncertainty regarding the size of their Audit Committee by selecting "I do not know," and a minimal 1.85% chose "Prefer not to say." These responses indicate variation in the size of Audit Committees across the surveyed banks, with the majority having smaller committees with 1-5 members and a notable portion expressing uncertainty about the specific size. Further investigation may be necessary to understand the reasons behind this diversity in Audit Committee size within the banking sector.

4.9.14. Question 14: Please tick a box to indicate how many women are represented on the audit committee in your bank.

Fig 11: Participation of women

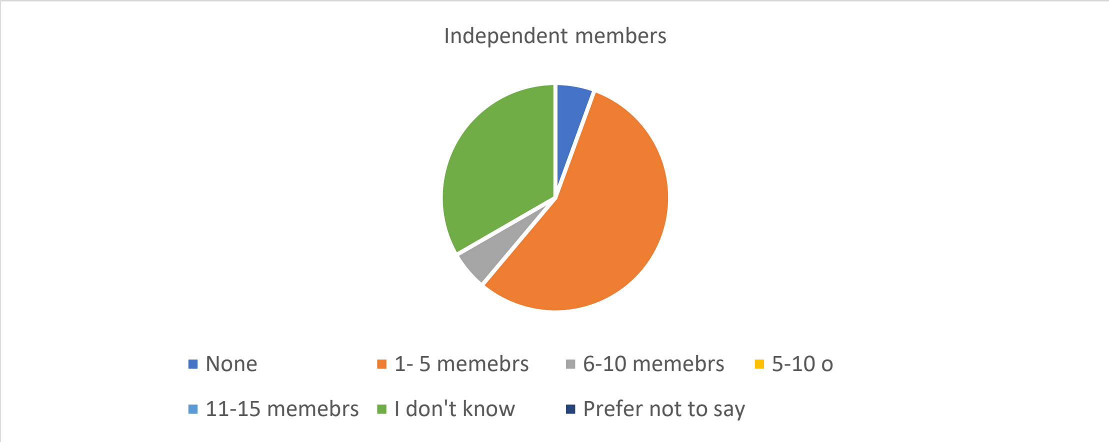


In response to the question about the representation of women on the Audit Committee in their respective banks, the data reveals that 30.77% of participants reported that their bank's Audit Committee does not have any women members. In contrast, the majority, accounting for 38.46% of respondents, indicated that the Audit Committee includes 1-4 women, suggesting moderate gender diversity within this range. Additionally, 7.69% of respondents mentioned that the Committee comprises 5-10 women, indicating a higher degree of representation. Interestingly, no respondents reported having 11-15 women or more than 16 women on their Audit Committee. A notable portion, 26.92%, expressed uncertainty by selecting "I do not know." Importantly, none of the respondents chose the "Prefer not to say" option. These responses highlight the variation in gender diversity within the Audit Committees across the surveyed banks, with a range of representation and a sizeable portion expressing uncertainty about the specific number of women. Further examination may be needed to understand the factors influencing the level of gender diversity in Audit Committees in the banking sector.

Question 15: Please tick a box to indicate how many independent members are represented on your bank's audit committee.

In response to the question about the number of independent members on the Audit Committee in their bank, the data reveals several critical insights among the respondents. A small percentage, comprising 5.00% of participants, reported that their bank's Audit Committee has no independent members. In contrast, the majority, accounting for 50.00% of respondents, indicated that the Audit Committee includes 1-4 Independent members, suggesting a moderate level of independence within this range. Additionally, 5.00% of respondents mentioned that the Committee comprises 5-10 Independent members, indicating a higher degree of independence. None of the respondents reported having 11-15 or more than 16 Independent members on their Audit Committee. A sizeable portion, comprising 30.00%, expressed uncertainty by selecting "I do not know," indicating potential challenges in determining the exact number of independent members. Importantly, none of the respondents chose the "Prefer not to say" option. These responses highlight the diversity in the level of independence within Audit Committees across the surveyed banks, with a range of representation and a substantial portion expressing uncertainty about the specific number of independent members. Further examination may be needed to understand the factors influencing the level of independence in Audit Committees in the banking sector.

Figure 12: No of Independent members in Audit Committee



4.9.16. Descriptive Analytical Observations in the Findings.

These findings offer insights into the Nigerian banking industry's demographics, practices, and perceptions, which are as follows: The demography indicates that the majority (96%) of respondents are working in the Nigerian banking industry, while a small minority (4%) are not; that the age category "36-45" is the most common, representing 77.42% of respondents. No respondents are in the "Under 18" or "18-25" categories. 64.29% of respondents identify as "Man," while 35.71% identify as "Woman." No respondents identify as "non-binary."

In the next phase, A significant majority (80.36%) of respondents believe that fraud exists in their banks. No one believes there is no fraud, and some expressed uncertainty. All respondents (100%) agreed that their bank adopts a Corporate Governance framework. In unison, all respondents (100%) confirmed that their bank has an existing Board of Directors (BODs) but that the size of the Board varies, with most (44.64%) having 6-10 members and some respondents expressing uncertainty about the size. More so, there is an even split between respondents having 1-4 Board meetings (32.14%) and 5-10 Board meetings (32.14%) within the fiscal year, but the majority (65%) of respondents reported having 1-4 women on their Board. In contrast, some respondents expressed uncertainty about the representation of women.

Furthermore, regarding the duality of the CEO, most bankers (88.89%) indicated that the CEO is also a member of the Board, with some noticeable uncertainty and minimal differences in other responses.

Probing more on the Audit Committees (ACs'), all respondents (100%) confirmed the existence of an Audit Committee in their banks, as most ACs (58.93%) have 1-5 members, with some variation in size and uncertainty among respondents. However, most respondents (58.93%) agreed that AC members hold 1-4 meetings a year or 5-10 meetings (58.93%) within the fiscal year. On females in the ACs, the majority (38.46%) reported having 1-4 women on the Audit Committee, with some respondents expressing uncertainty about the number of women, whilst the majority (50%) indicated that their Audit Committee includes 1-4 Independent members, with some respondents expressing uncertainty about the exact number of independent members.

4.10. Rate of Response to Questionnaire

Upon certification of this research questionnaire by the study supervisors, this writer released it to the participants online. Out of about hundred (100) questionnaires sent out so far within two weeks, fifty-six (56) responses have been received. It has drawn massive attention, approval, and encouragement from some bankers in Nigeria. They voluntarily responded and encouraged others to circulate it to their colleagues. However, a more significant number of them were apprehensive about using their official email contacts but insisted on using their private email addresses to receive and respond to the questionnaires. They alleged that harassment, intimidation, and fear of job loss, amongst others from their banks, could be visited on them to discuss bank/official-related issues with an outsider using bank resources and time without official permission. They do not believe that 100% confidentiality exists anywhere in the world. They also preferred using their private email addresses and online questionnaires as most were already used to Survey Monkeys, Microsoft Forms, and Google tools, which can hide their official identity.

Some scholars support the use of online technology by pointing out that it encourages students' in-depth study to be rigorously evaluated whilst encouraging participants' openness to discuss issues and protecting them from employers' intimidation. Furthermore, the advantages of the internet to education spur qualitative researchers to be open-minded. (Tasker and Cisneroz 2019)

This pilot study/preliminary survey conducted with Microsoft Forms online was descriptive, covering this study's questions one and two; hence, responses would guide this researcher to prepare for the next level of robust data gathering to expose the issue of fraud and its mitigation processes in the Nigerian banking industry.

4.8.5 Sampling and Data Collection

Turner (2020) defined sampling as choosing a subset of the population of interest during research. It is often applied when a researcher faces many populations of interest. Hence, the researcher could only use some; a more minor group could be chosen for data collection. The advantage is that it is more accessible and practical to use fewer numbers to function as representatives for quicker collection at a lower cost. It has been admitted that it is the research approach used to select a population's subset of interest amongst all people during an enquiry process. It is a vital part of the qualitative method that aids towards making correct predictions (Patton 2002). McCombes (2022) recommended that purposeful sampling be adopted in the qualitative method. In data collection, sampling is often used to get valuable information to understand the depth, phenomenon, variations, and complexities. In surveys, random sampling is mainly adopted by researchers either by probability sampling or by non-probability sampling. (Magrus 2012)

The study sample of this research is a crucial determinant of the quality of this study. These would be gathered from the focused population/population of interest: the Nigerian banking industry professionals. To achieve this understanding, the study sample is the one hundred (100) bankers in Nigeria, the population of interest in this study. They are responding to the survey questionnaire sent out for descriptive analysis pending the conduct of the semi-structured interview. Descriptive analytics can be used as a process vehicle to unfold trends and relations, such as bank fraud, using their current and historical data.

4.8.6 Sample Size

The qualitative method is noted for using fewer sample sizes compared with the quantitative method's generated sizes, which are huge. A qualitative sample size of about 30 seems moderately acceptable within academia. Still, some studies could have as few as ten respondents/participants yet produce quality and acceptable outcomes. Hence, between 20 and 30 participants with satisfactory answers are acceptable. (Sandelowski 1995; Boddy 2016)

Boddy (2016), while addressing the issue of sample size in qualitative research, argued that proper and valid sample size based on determination is only partially dependent on the scientific paradigm on which the investigation is taking place. The sample sizes of a particular case could be unique, rich, and valuable with information. For this study, about 20-30 high-quality sample sizes could be adopted for analysis to find solutions to Nigerian banking industry frauds.

4.8.7 Method of Data Analysis

Saunders et al. (2012) posited that data analysis comprises reducing data, displaying data, and drawing and verifying the conclusions arrived. By these positions, that text stated that data should be summarised and made simple for change and reduction and that data display involves organisation and assemblage of data into precise diagrams or visual displays. The next step is

Concluding and verifying the relationships and patterns, aided by using data display to interpret, understand, and know the meaning of it.

This study adopts thematic analysis as its analytical perspective while recognising that the qualitative method does not have standards but can adopt thematic analysis techniques to analyse data interviews. The thematic analysis involves reading transcripts of interviews conducted, which could involve the subjective nature of the researcher to apply reflexivity (Braun and Clarke 2006; Magrus 2012). The thematic analysis involves reading transcripts of interviews conducted, which could involve the subjective nature of the researcher to apply reflexivity (Braun and Clarke 2006; Magrus 2012). This method checks data to find, analyse and report repeated patterns in analyses. In thematic analysis, codes are not static but organic, having the strength of evolving into being bigger or smaller in the analytical process; hence, each data should be coded equally. Thematic analysis is about identifying patterns of themes.

Identifying patterns/themes after coding is a method (not methodology) because it cannot be from the same view of epistemology or theory. It is a simple but not rigid approach that can be widely applied or used in the academics (Maguire and Delahunt 2017). Though confusion could erupt about its nature in the application of thematic analysis, this thesis has chosen to be identified with Braun and Clarke's (2006) ***6-step framework***. Researchers are expected to follow the steps identified: data familiarisation, then generate the initial codes, Search and identify the themes, review the identified themes, define the themes, and finally, writing a write-up. Also, this study has recognised two-level themes/patterns called semantic and latent themes and has decided to combine them to solve incessant fraudulent activities in the Nigerian banking industry. The semantic examines the surface meanings of the data analysed, whilst the latent examines the inner meanings of the ideas, assumptions, conceptualisations, and ideologies that shape/inform the semantic (Maguire and Delahunt 2017).

Conceptualisation can also be adapted to analyse semi-structured interviews. This is because qualitative data relies on meanings expressed through words (Saunders et al., 2012). Scholars posited that qualitative analysis can be conducted from the positions of either inductive or deductive perspectives. They further inferred that a researcher could plan research from the point of collection, analysis, and interpretation of data as interviews or observations are in the process (Saunders et al. 2009; Saunders et al. 2012).

This study’s design is based on gathering primary data from a survey questionnaire issued to participants in the Nigerian banking industry. The purpose is to explore Nigerian banks' positions on the existence of fraud within them. It would also aid in identifying the existence of CGF (corporate governance framework), the board of directors and the audit committee. More so, if issues of ingredients or elements in characteristics and compositions at both the board and audit, such as the gender, issue of meeting, issue of independent directors, and issue of duality of the CEO exist in the banks. All these are geared toward knowing the present status of the banks in Nigeria and an attempt to prepare the ground for the semi-structured interviews, which would elaborate on the identification of challenges and aid in formulating solutions to mitigate fraud in the banks.

Saunders et al. (2012) likened qualitative method data analysis to a jigsaw puzzle by explaining that the pieces of data and their links aid a researcher in formulating a picture that the data is conveying. Hence, I outlined helpful aids that could help a qualitative method researcher conduct an analysis, such as the following computer-aided qualitative data analysis software (CAQDAS): NVivo, Atlas, and Hyper-RESEARCH. However, these scholars reiterated that qualitative research is imbued with the philosophy of interpretivism because of the subjectivity and social construction (constructivism) associated with it. These have exposed it to ambiguity, making it elastic and complex even when it is rich and full of opportunities for exploration.

Magrus (2012) argued that categorisation, data rearrangement, and reduction are strategies adopted in qualitative data analysis. It stated that thematic analysis aids in finding, analysing, and creating a reporting pattern and even aids in interpreting data, expanding thematic analysis into phases and describing the processes. The paper posited that the concepts in the analysis were in line with the research framework. In contrast, newer concepts found during the interviews were flexibly managed in line with the study.

Using the thematic analysis of inductive coding, which bypasses the deductive coding of line-by-line coding, inductive coding goes deeper into the data by aiding in arranging and formalising the identified code sets. This act of qualitative coding is based on the inductive process of NVivo, which relies on this researcher's own words instead of interpretations. This is because the participants' words are used to code to avoid personal interpretations; hence, descriptive coding would be applied in this study's analytical process with some structural coding due to the researcher's extensive data gathered.

In retrospect, it is significant to acknowledge that Saunders et al. (2012) listed instrumental aids which can help a researcher conduct a successful analysis. These include audio-recording or notes, 'interim or progress summaries, transcript summaries, document summaries, self-memos, research notebooks, and reflective diaries or journals. Peterson (2020) counted the importance of reliability and validity in qualitative research because of subjectivity in the interpretation of the data but cautioned that strategies should ensure that findings are trustworthy in any study. Saunders et al. (2012) showed that most analytical procedures start from the inductive position but can involve a deductive perspective towards qualitative data analysis, as the same could happen in reverse.

4.8.8 Security of Data, Anonymity and Confidentiality

This study is conducted under strict ethical standards using the current UK GDPR. This is evidence of solid assurance that the security of data gathered is/would be protected from the field to storage and even in the documentation. The University of Salford has secured storage hard drives on different platforms, namely OneDrive, Microsoft Teams, and SharePoint, which will be destroyed at the end of the research. The purpose is to avoid abuse or falling into the wrong hands. This ensures anonymity and confidentiality are respected and protected, as promised to the participants earlier. Ethical positions must be adhered to in all spheres to avoid attracting legal suits and embarrassment- before, during, and after the interviews.

4.9. Ethics

Wiles (2013) defined Ethics as that branch of philosophy that deals with questions concerning morality (moral uprightness) while conducting research; hence, morals and ethics are akin to one another during research. Furthermore, this scholar described it as tied to human intentions and actions being good or doing the 'right' thing so that judgement is accepted or assumed as correctly executed in a place within a specific time (Nind et al. 2013; Wiles and Boddy 2013).

Historically, ethical knowledge has been traced from 1945 to the 1990s, when issues concerning academic research ethics became pronounced in public discourse, especially as human captivity became a top subject. The glaring issues of German scientist's use of human beings as 'guinea pigs' in gruesome experiments during the Second World War in Nuremberg and the withholding of effective treatment from the syphilis-infected African Americans used during experiments by the Tuskegee Syphilis Study between the 1950s and 60s were apparent (Trochim et al. 2020). These scholars found that these negative uses of research experiments raised the consciousness towards reappraising ethical standards in scientific research. Further deductions illustrated the effects of the injustices and neglect of ethical codes, leading to a change of attitudes toward both Cancer and AIDS patients getting attention as well as approval into research for potential cures of their ailments. To these effects, the paper found that stakeholders' involvement in raising consciousness led to the recognition and formulation of guidelines for protecting human lives from extermination research experiments in much research.

However, existent studies (Wiles and Boddy 2013; Nind et al. 2013) posited that qualitative research ethics has been contentious since it originated as an idea endorsed by the Management Research of the Economic and Social Research Council (ESRC) Evolution of Business Knowledge (EBK) Programme and the AIMR - Advancement Institute of Management Research in 2005. Their arguments hinged on confidentiality issues and the duties of a researcher during the data collection period; hence, the process of data collection from participants takes time, whilst the fear of abusing the confidentiality code by the researcher may not be guaranteed. Furthermore, the quality of judgement in the qualitative approach is affected by subjectivity, lack of general findings, and lack of sample guidelines, which cast doubts on this method.

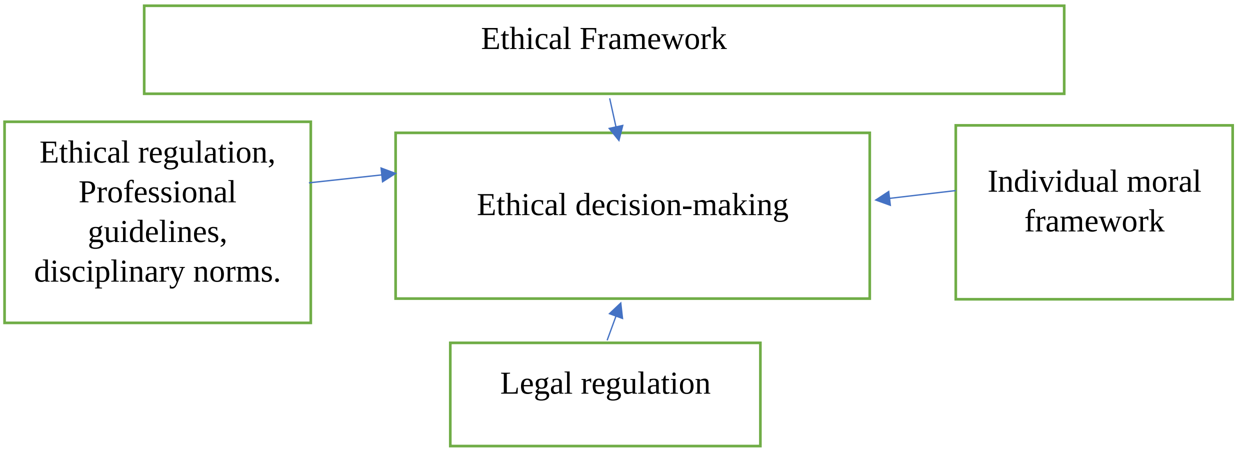
However, many researchers (Othman et al. 2012; El-Kassar et al. 2015) supported the arguments that ethics is vital in scholarly projects, corporate administration, and the effective practice of corporate governance in firms. Othman et al. (2012) directly showed that ethics is the heart of behaviours in the use of CG, whilst El-Kassar et al. (2015) posited that increased adoption and practices of good ethical conduct lead to assurances of safety, reliability, and confidence for the stakeholders to envisage growth and performances of their companies. Wiles (2013), Nind et al. (2013) and Wiles and Boddy (2013) adduced that qualitative research ethics supply outline approaches towards ethical issues that should be considered. However, these authors opined that it guides morality/or moral behaviour for the researcher to know the criteria of what is right or wrong to do or ask when faced with an ethical dilemma in an autonomous setting.

Wiles (2013) posited that respect for autonomy includes confidentiality, voluntariness, informed consent, and anonymity of participants or interviewees. Wiles (2013), Nind et al. (2013), Wiles and Boddy (2013), and Trochim (2020) include ethics of care, virtue's ethics, ethical regulation, ethical guidelines, informed consents, capacity, the duty of confidentiality, risk, and anonymity. Trochim (2020) emphasised that some key phrases are associated with the contemporary descriptions of ethical protection approaches guiding various social and medical researchers. This writer listed risks of harm (protection against physical and psychological trauma and that participants should be guided and guarded against any effects surrounding the research.

However, Wiles and Boddy (2013) showed that adopting ethical regulation in social research has dwelt more on concerns rather than the daily challenges, either through qualitative social methods undertaken or the nature of the chosen participants. Wiles (2013) argued that enhancing ‘ethical literacy’ is more important than achieving ethical approval, insisting that ‘ethical literacy’ encourages ethical challenges that researchers face.

This study has ethical considerations for avoiding harm while pursuing its objectives. Confidentiality and respect for the participants were strictly adhered to, even in pursuance of primary data, which has been collected through descriptive survey questionnaires from some bankers in Nigeria. The same ethical behaviour would be given to the study’s participants during the next phase of collection of primary data, which will be the semi-structured interview, which would not be under interrogation or being coerced to answer. Elements of confidentiality Moreover, the anonymity bonded with respect will be given to the participants as their information will be secured under the current UK GDPR.

4.9.1 Fig 20. Factors shaping ethical decision-making in research.



SOURCE: The above design was sourced from - Wiles, R. (2013)

4.10 Analysis and Approaches (Qualitative)

As identified earlier, qualitative research is used to explore and gain insights into the phenomenon under study. Adopting semi-structured interview mode because of its flexibility for participants to have open-ended responses for in-depth information also encourages this researcher to prepare questions in advance to guide the discussion and aids in keeping the interviewees focused on the topic under discussion to avoid derailing. Furthermore, semi-structured interviews encouraged this researcher to ask follow-up questions. It aids in ensuring that data collected are reliably evaluated and the validity of their findings is ascertained. This researcher will also present the participant's experience and demographic characteristics to justify their interview suitability.

Elements of subjectivity are attached to it, but researchers also derive improved understanding and knowledge of the social world. Subjectivity is a crucial element that makes qualitative research unique, and it is derived from peoples' beliefs, attitudes, reasons, opinions, and even motivation for actions as they help to explain patterns and trends of events on matters that interest researchers. Hence, it will aid this researcher in developing hypotheses/ideas that could be applied in this case study. A thematic analysis approach would be adopted to examine the board's effectiveness in mitigating fraud in the Nigerian banking industry to achieve objective one.dd This will be done by carefully examining the responses using NVivo software analysis, which provides clearer views, relationships/links, organisation, and understanding of the subject under discussion. Also, this tool affords flexibility in the organisation and management of resources deposited as it offers effective importation of qualitative data. It further offers limitless opportunities for using data in qualitative analysis based on themes whilst making it practical to offer visualisations and quicker results simultaneously.

Scholarly evidence shows that a hypothesis is a proposed/planned explanation that helps describe phenomena that occurred or still exist in organisations or societies. This application of subjectivity could be physically or electronically applied in diverse ways by the researcher to collect data through language-based (oral or written) interviews, surveys and questionnaires, focal groups, observations, and case studies. Analysing the language-based data collection method would aid in exposing the trends, meanings, and patterns which would guide this study in supplying clues to answer research questions. However, the data analysis would be done based on factors such as the type of data gathered, the context of the data gathered, whether theories will be formulated from the collected data and the researchers' level of knowledge on the topic (Kitto and Barnett 2007; Burkard et al. 2012).

4.10.1 Thematic Analysis (TA)

Thematic analysis has been adjudged as the most popular analytical approach. It is common and straightforward to use in any qualitative research because it does not affect or disturb any analytical study's depth. Even as an approach, TA is noted to be flexible for analysis, as it could be used to extract meanings and concepts from data gathered by a researcher (Javadi and Zarea 2016; Braun and Clarke 2021, 2022).

In this study, it is essential to observe that thematic analysis will feature prominently in the analysis of this qualitative research. As this study will adopt semi-structured interviews, there is a need for this researcher to gather data of primary concern; hence, the need for participants for the first two objectives is prime to the accomplishment of the circle of this journey. Notably, the interviewees are expected to add crucial values to authenticate the ethical standardisation to accord this study its merit within academia. Their views will prove that fraud (the endemic criminal subject of focus in the Nigerian banking industry in this research) has been duly examined based on the semi-structured interviews with the board and the audit committee. By extension, the interview shifted to capture the views of other stakeholders, such as the senior officer/management of the banks, on the effectiveness of the elites at their topmost hierarchy.

Upon completion of the interviews, the raw data would be transcribed. The confidentiality and anonymity of the interviewees would be respected. Hence, pseudonyms must be applied. This study would ensure that qualitative data transcripts were kept and the transcripts from semi-structured interviews were conducted. It takes longer to transcribe interviews as they are transcribed verbatim and with the thematic analysis appropriately done. This type of analysis aids in supplying effectiveness in the analysis of extensive data generated from such interviews. Notably, the analysis of the transcript done by this research must present evidence of subjectivity, which is the core element of the qualitative method.

To understand Thematic Analysis and its application to this study, what it stands for, why it is considered proper and how it will be used will be elucidated here. According to Braun and Clarke (2006), *Thematic Analysis* (TA) is a qualitative data analysis method that needs or demands reading the data collected during interviews (such as transcripts or from focus groups, amongst others). Thematic analysis entails the researcher actively engaging the process of reflexivity through subjective interpretations to make meanings out of the data collected from the field. It can also be posited that TA revolves around themes generated from the dataset that relate to one another, even as it aids in reducing extensive data down to the summary level. In analysing the data collected, this researcher will search for themes and patterns in the data set. Though TA is seen as a complex approach in qualitative analysis, it could also be adjudged as an exciting and systematic process that enriches studies with quality data (Braun and Clarke 2022).

Sparkes (2005) uncovers themes in textual data and posits that themes are essential patterns found in the areas of description, organisation, or interpretation of the research topic based on the data collected. Thematic analysis gives meanings and brings out ideas whilst being involved in inductive reasoning. Hence, it is commonly applied in mostly semi-structured interviews. It also has stages designed to be followed, including encouraging a researcher to be abreast with data relating to the conceptual topic of the study under the microscope (research), hence voiding the use of codes at this stage.

Following that, the researcher steps through the data to find the key concepts where the first level of coding takes place, which leads to the review of all the codes collected, giving rise to the emergence of themes. When grouped under related codes, these themes will aid in establishing data consistency after reviews and revising data gathered. It is a valuable tool that works with written data that can be sorted. Thematic analysis is dynamic in providing evidence for the existing theories to be supported or challenged in the study topics being researched. With an analytical approach, a researcher does not need to plan for ideas and expectations about what the data will reveal concerning the research questions or the study topic objectives (Vaismoradi et al. 2016; Braun and Clarke 2006). (Vaismoradi et al. 2016; Braun and Clarke 2006).

Furthermore, Braun and Clarke (2006) admitted that though TA is used within the psychology discipline for qualitative data analysis for its flexibility, its acceptability and demarcations are poor in rating. These scholars argued that TA is comprehensible and theoretically flexible when adopted to analyse qualitative data in search of themes or patterns. TA can positively relate to philosophical paradigms such as ontology and epistemology. They deduce that TA has six phases, namely: (1) Familiarization, (2) Coding, (3) Searching for the theme, (4) Reviewing themes, (5) Defining and naming the theme, as well as (6) Writing the analysis. These are necessary steps for a successful data analysis using thematic methods; hence, this study is determined to do that. These foundational authors of Thematic analysis emphasised that themes assist in providing the structure of writing the analysis. At the same time, quotes should be adopted to address evidence or make a vital point. In this study, themes should be used as headings, while at the end of the process, all the analytical narratives should be fully linked. More so, TA can be effectively applied in researching counselling and psychotherapy (Clarke and Braun 2018; Clarke et al. 2015)

However, the misinterpretation of what Thematic Analysis (TA) stands for by many authors led the pioneer scholars of this analytical process of using reflexive TA to explain the framework in detail in their 2020 write-up. Using thematic analysis, Clarke and Braun (2020) posited six (6) similar structures closely related to 2006 but with differences. They are (1) Data Familiarization and Writing Familiarization notes; (2) Systematic Data Coding; (3) Generating Initial Themes from Coded and Collated Data; (4) Developing and reviewing Themes; (5) Refining, Developing and Naming Themes; and (6) Writing the Report. (Braun and Clarke 2021, 2022)

While exploring some challenges in teaching thematic analysis and developing strategies for effective TA learning, these authors (Clarke & Braun, 2013) admitted that many are more specific to students and teachers.

4.11 Justification of Online Approach

In this renaissance of knowledge, the information era, online learning (e-learning) has enabled this researcher to access the needed information quickly. The explosion of knowledge and technological development has aided in the diversification of academics. The online research approach is not only a viable option that is cheaper and faster but also transferable, as the data can be applied to answer and solve issues. Technology has also diversified ways of collecting/gathering and analysing data.

This study dominantly used technology to gather and analyse data. Microsoft Form was used to design survey questionnaires; Microsoft Teams, Google Meet, and Zoom were technologies adopted as the virtual venues for meetings with the study's selected populations for the semi-structured interviews. Interestingly, as the study used two tape recorders (made by Sony and Garmay digital voice technologies) to collect data during discussions, the application of the virtual platform's technologies (Microsoft Teams, Google Meet and Zoom) aided in the recording and transcribing process. In some instances, the platform technologies got some spellings wrong due to the pronunciations or intonations of my participants; the recorders came into play by resolving the issues in transcriptions. This researcher equally embraced the use of NVivo technology as it played a part in the thematic analysis of the study in coding and determining the theme pattern.

This researcher would benefit from its profitable application based on flexibility, convenience, and accessibility. However, an argument is positioned that sampling, accessibility, and fraud are strongly associated with disadvantages to online research. However, empirical evidence has shown that it is an excellent option for researchers and organisations; hence, the advantages far outweigh the disadvantages (De Leeuw 2012).

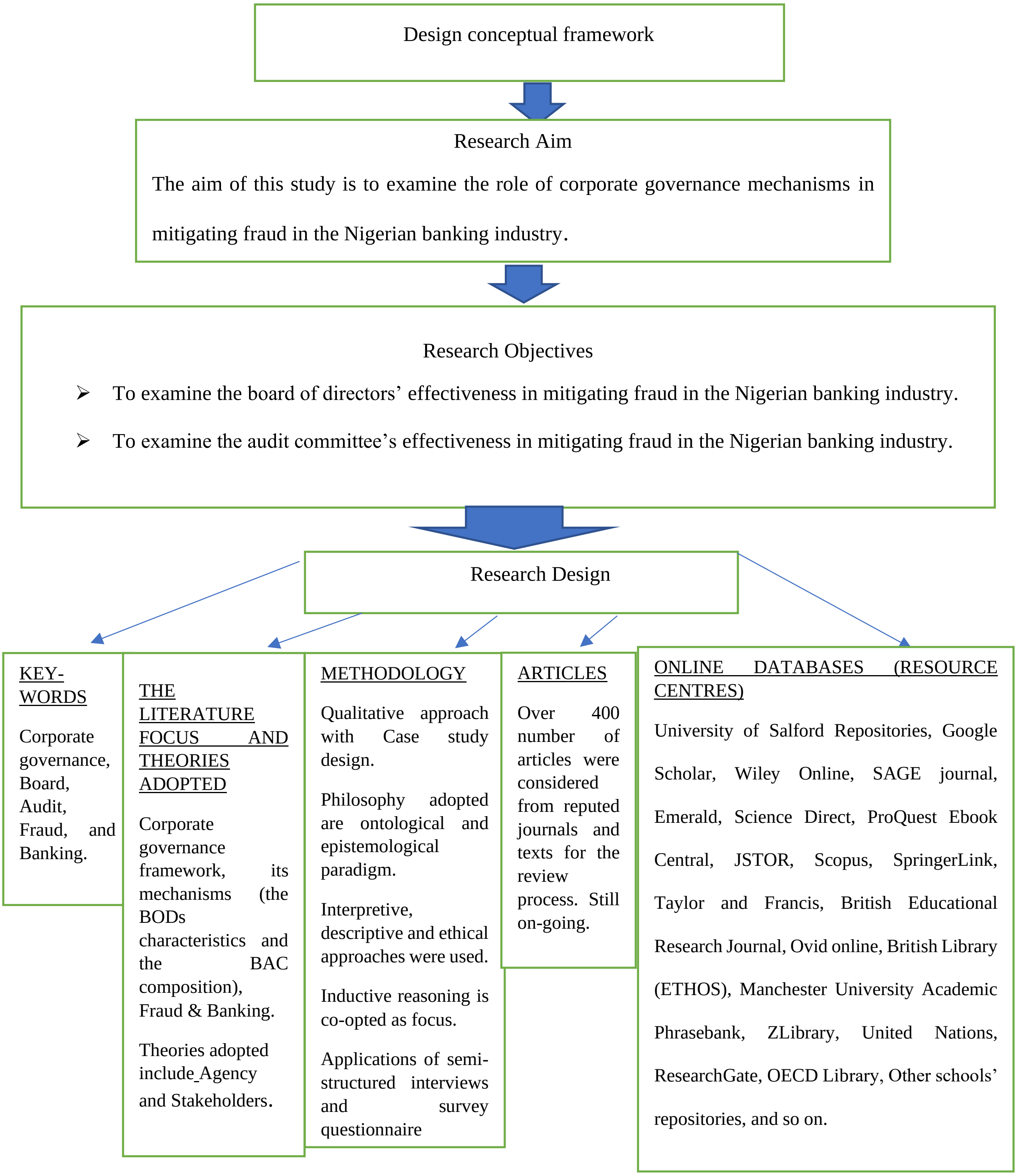
4.12 Reflexivity

The concept of 'Reflection' has generated much interest within academia, with many definitions emerging; just as a paradigm is presently experiencing, it has been strongly argued that reflexivity is the human quality that fundamentally participates in understanding human relationships. More so, reflexivity can be seen as an experience of getting involved due to self-feelings. Based on social sciences, the concept could be weighed in as taking into account oneself when self-feelings are applied (Holland 1999). Furthermore, all learning interpretations depend on the reflexivity of all human experiences, even as all judgements are limited in scope. This position could be traced to disciplines such as psychology and sociology that extensively dealt with human limitations and boundaries. This author posited that reflexive prediction is the outcome of itself while deducing that the producer of a theory also produces himself in it despite the subject matter in understanding the theory. Reflexivity is a practice where an individual's life has been altered or affected due to the circumstances of knowledge. Emotions cannot be ruled out because they live with the bearer - the person (Holmes 2010)

Reflexivity has been likened to the issues of the marriage of binding and falling under chain theory but argued that many empirical problems that revolve around binding theory have proven that the reverse of some fundamental assumptions indeed existed. However, another argument that the marriage between binding and movement modules duly exists but in different formations was not a historical accident. This explains that the writer is his work, and his work is his resemblance or reflection. The paper concludes that binding conditions have no semblance to configurational or thematic hierarchy. The binding theory's sensitivity relates only to their function, which matches the cause and the effect in human belief culture (Reinhart and Reuland 1993). Doubts have been developed over self-report reliance rather than confidence, and it is wrong to say that researchers cannot be subjective; hence, the question or issue of human position can be debated. (Salzman 2002)

Due to the rivalry in the understandings, Holland (1999) argues for a common transdisciplinary understanding between psychology and sociology on reflexivity issues. Towards applying the sociology of knowledge to theories that dwell on persons, this school of thought outlined that the interests and predispositions of such theorists were directly or indirectly conveyed in the same theory. It discovered reflexive's critical function as exposing hidden assumptions upon which positions and arguments are structured. It posited the need to internalise the assumptions of global views, cultures, thought styles, world hypotheses, cosmologies, or even paradigms. Furthermore, it juxtaposed that transdisciplinary reflexivity is more vital and complete than undisciplined works when ideas from different disciplines are fused to become an acceptable and comprehensive academic contribution. The author further listed diverse levels and types of reflexivity by capturing a holistic position of transdisciplinary reflexivity through paradigm and metaphor. This evidence exposes how paradigm incorporates reflexivity in specific significant ways, just as subjectivity cannot be separated from people on any issue, such as truth. The identified levels and types include the following: Functionalism, Interpretive, Radical humanist, and Radical structuralism.

4.12 Fig 21. Design Summary of this Research Framework



SOURCE: The above design was sourced from Panda, B. and Leepsa, N. M. (2017) but was amended to suit this study.

4.13 Summary

It is evidence that the importance of philosophy is vast in research. Its contributions are immeasurable. This is because any research without thought patterns, such as research methods and theories, lacks the legitimacy of being acknowledged in academia. In this mixed-method study, the standards raised through the adoption of philosophy and paradigm have aided the postulations and concepts used to expose the challenges of the corporate governance mechanism against fraud in Nigerian banks. In-depth investigations and organisation of this study using ontological constructivist and epistemological interpretivist thought patterns have also aided in defining and focusing on it inductively. Inductive reasoning is applied due to the application of information to determine the outputs- outcomes. This information is derived from the data gathered from the sampled population, forming the basis of the mixed approach adopted by this study. It is instructive to posit that this study has more qualitative inputs than quantitative ones. The quantitative elements are seen in the application of survey questionnaires in the data-gathering process to support the qualitative semi-structured interviews for validity, reliability, generalisability, and robustness. The philosophical assumptions and underpinnings helped forge the research methodology/method, which incorporated the choice of case study design, even as it guided the formulation of research design, sampling, and data collection methods. Furthermore, through the patterns of beliefs and understandings, the application of the pragmatic model to assess the sample size was guided, and even the addressing of the research questions to reach the objectives through the formulation of the survey questionnaire became clearer. Hence, semi-structured interviews and survey questionnaires would become inevitable towards combining the aim of this study and the adoption of the critical method of data analysis. The ethical approach would be applied in all measures and areas of this study, even for the survey questionnaire and interviews.

CHAPTER FIVE: BOARD OF DIRECTORS' EFFECTIVENESS IN MITIGATING FRAUD

5.1 Introduction

This section exposes the mechanism used by the board to prevent fraudulent behaviour and its impacts on banks in Nigeria. This study will consider how board members prevent fraud through their oversight role by addressing the objective of this study. In this respect, this research uses interview questions relating to corporate governance principles and how these relate to mitigating fraud in this industry. Also, it provides insight into the existing relationships among members of this board (comprising the independent/non-executive directors and the executive directors). It offers an insight into board members' understanding and knowledge of fraud, types of fraud, and implications for their organisation. Importantly, it will examine the BOD's contribution to supporting objectivity and independence during fraud investigations (encouraging speaking up, transparency and accountability).

In this introduction, the pattern adopted to get the themes from the semi-structured interviews conducted involved re-reading and listening to familiarise the data collected and coding them into categories that led to themes and sub-themes that regularly appear. The emergence of themes from the large amount of data collected from the research questions towards gaining insights from the experiences of the research participants (the bank directors) from the semi-structured interviews. Importantly, to analyse this study's data based on the methodology chapter, this research adopted the thematic approach in its analysis, where data collected passed through coding to lead to the emergent themes and sub-themes based on their subject matters, as well as the application of Nvivo software in the analysis. The participants held views and expressed meanings during this research's open-ended interviews, which were conducted and deduced as the themes interpreted by this researcher. These conceptualised themes are evolving topics from complex data that have created categories not thoroughly examined and established in the literature (based on this research topic's present/newest findings) despite gaining attention over the years. There is a need to state that within this qualitative paradigm research data corpus with the subject areas, the overarching ideas are the themes gathered.

In the presentation of these thematic findings, the solutions sought by this thesis through the powerful, rigorous and flexible data analysis process include providing in-depth information, traceability, reliability and validity. These could be traced to providing rich and detailed yet huge and complex accounts of data gathered for the entire analytics. Though the process could be tied with some drawbacks such as being time-tasking/or time-consuming and some levels of bias, which could be attributed to the subjective nature of the research, the thematic analysis provides a detailed description and pragmatic process in conducting trustworthy research analysis in tandem with this study's framework. Based on the knowledge generated by this qualitative paradigm, thematic analysis is used to support researchers in analysis and a method on its own; hence, it is easy to grasp and an accessible form of analysis that does not require theoretical and technological knowledge. Its unique usefulness to examine perspectives and summarise large datasets through a well-structured design to data handling aids this researcher in producing a clear, concise, and organised final report (Braun and Clarke 2006; Nowell et al. 2017; Wæraas 2022; Waters and Buchanan 2017). Its unique usefulness to examine perspectives and summarise large datasets through a well-structured design to data handling aids this researcher in producing a clear, concise, and organised final report (Braun and Clarke 2006; Nowell et al. 2017; Wæraas 2022; Waters and Buchanan 2017).

Furthermore, in this segment, the board's role would be to enhance inter-bank relationships and support the audit committee to tackle emerging trends in fraudulent activities in Nigeria's banking industry, including the financial reporting process. It will also focus on the level of skills expected from board members and the myriad of challenges introduced to the members of the board that affect them in attaining adequate levels in the making of strategic decisions, as well as in carrying out their oversight responsibilities. Finally, it will discuss ways to overcome the identified challenges, recommend measures to strengthen corporate governance and make suggestions for mitigating fraud in Nigerian banks.

5.2 Relationship Between Board of Directors of Banks and Fraud Mitigation

Fraudulent practices, such as embezzlement, insider trading, loan diversion, and cybercrimes, pose a severe threat to the stability and integrity of the Nigerian banking system. Consequently, addressing fraud has become a paramount concern, requiring a concerted effort from various stakeholders, with the board of directors at the forefront.

This study found that the board uses its strategic role to mitigate fraud in the Nigerian Banking Sector. The board is responsible for setting the tone at the top, establishing policies and procedures, and ensuring compliance with relevant regulations. The board of directors in the Nigerian banking industry is critical in implementing mechanisms that detect, prevent, and respond to fraudulent activities.

Further examination of the board's relationship and the main themes could be highlighted, such as accountability and reporting mechanisms, governance and oversight roles, regulation and compliance mechanisms, Training and awareness mechanisms, and technological integration. According to CG scholars, the themes of accountability and reporting are intrinsically linked to the board. A position statement that following the accounting standards, information to be presented to the shareholders and other stakeholders who require them to know the level of stewardship and for the making of informed decisions should pass through the process of being prepared, audited and disclosed, hence transparency, accountability and reporting are vital principles of CG that firms should practice. Firm annual reports, also known as the CG reports, purposed to communicate the standard of CG policies, practices and standards existing in a firm, and the firm's governance is the responsibility of the board to make all verified and reliable disclosure about their operations and performances. More so, the confirmation that the QVC- the quality of voluntary disclosure on EM-earning management shows that it strengthens financial reporting in any system (Albitar 2015a; Salem et al. 2021b)

In alignment with the former, extant scholars (Alwadani et al. 2024; Yamani et al. 2021; Albitar et al. 2023a) posited that a relationship exists between the board of directors and their influence on the governance and oversight mechanisms in firms that practice the code of CG—at the same time, exploring the relationship between four CG mechanisms and environmental, social, and governance (ESG) disclosures. Findings were relevant for various decision makers, such as policymakers, investors, and firm managers, regarding the critical governance mechanisms that could impact the tone of the CSR report. Evidence pointed out that more independent directors could govern with a more positive tone than a less hostile tone, which could lead to a higher ESG disclosure score with a more positive CSR tone. It also pointed out that gender diversity has a positive impact. More so, there is an admittance that there is an improvement in the factors affecting the role of internal governance, even linking increasing board meetings with practical oversight responsibilities, as well as reiterating the importance of having more independent directors to strengthen oversight roles. The scholars also adduced that the levels of governance and oversight mechanisms in a corporation could be tied to the higher number of board members and that the mandatory disclosure needs are essential to governance, just as oversights.

Examining regulation and compliance responsibilities as linked to the board, prior studies (Babayanju et al. 2017; Gerged et al. 2023) Argued that compliance with CG practices can improve the integrity of financial reports, hence mitigating earning manipulations. Further linking the information asymmetry problem to agency theory, these writers posited that it offers avenues for managers to illegally enrich themselves by practising earnings manipulations. The agent compensates the stakeholders by publishing CG-compliant environmental information to mitigate the effect.

Varied levels of competition among banks have heightened the need to render improved services to customers and provide optimum safeguards of assets; hence, constant technological change becomes inevitable to achieve the desired results. (Lacković 2013) Posited that due to the risky environment, banks are striving to adapt to the latest in technology by understanding the crucial role of Information technology (IT) to create, implement and deliver new, faster, better and protective products and services to their customers whilst recognising its significant risks to the institution. Some authors (Trautman and Altenbaumer-Price 2010) Exposed accusations levelled at the board by critics that it was at the seat of governance without knowledge of (both) the technology it approved to run the firms' operations, even as it was ignorant of fraudulent activities that led to distress and the collapse of economies.

However, examining the board's interest in accepting Information technology hinges on its importance as a critical, innovative driver. An agile board of directors, through the provision of effective governance/leadership, quickly responds to emergent needs upon identification; hence, most directors of today are IT-skilled compliant and understand that the present digital age also needs IT agility for speedy and smooth adaption/or integration with expansive, different, newer, convergent, and disruptive technologies into the existing technology. More so, the board's strategic agility aids it in identifying and quickly mitigating potential risks whilst providing the enabling structures to enhance the firm’s performance. This provides the need to have board members with IT skills and exposure who will effectively represent the board and audit in decision-making relating to cyber-challenges and whose experiences would be beneficial to question the activities of the IT personnel in the firms. In this area, the audit committee members should be mandatorily exposed and experienced to handle and audit this delicate area of the business as part of their oversight responsibility for transparency and accountability (Nolan and McFarlan 2005; Pham et al. 2018; Turel and Bart 2014; Noor et al. 2016).

Corporate governance constitutes the foundation of the Nigerian banking industry, promoting transparency, accountability, and ethical conduct. Effective corporate governance practices are instrumental in building and maintaining investor confidence, fostering a conducive environment for sustainable growth, and mitigating the risks associated with fraudulent activities. As the apex governing body in banks, the board of directors is primarily responsible for upholding and promoting sound corporate governance. (Adegbite 2012, 2015).

In the context of fraud, the board implements a robust governance framework to ensure appropriate checks and balances. The board sets the tone for ethical conduct within the organisation. The board instils a culture of compliance with laws, regulations, and ethical standards to mitigate fraud. By championing a culture of integrity and transparency, the board can significantly reduce fraud by discouraging dishonest practices and promoting accountability at all levels of the organisation. (Okike and Adegbite 2012; Nakpodia et al. 2018; Adegbite 2010b).

5.2.1 Interview Participants- Directors

Table 1 shows the participants in this study's semi-structured (online) interviews. This interview was conducted using Microsoft Teams, Zoom and Google Meet to encourage the participation of strictly chosen directors as this study's sampled population to provide information on how their oversight responsibilities mitigate fraud in their banks in Nigeria. The reason is primarily because the directors are key stakeholders and chief promoters cum representatives of the corporate governance framework in the Nigerian banking industry. Despite this recognition, this apex body numbering close to one hundred (100) directors (a combination of the independent/non-executive directors and the executive directors- including Chairpersons of the boards and the CEOs) were officially contacted, but the majority ignored the request.

However, a qualitative data collection approach was adopted via semi-structured interviews for objectives one and two to give robust and in-depth information. The method of contact was through their emails obtained from the internet. Subsequently, this study's approved/associated documents were sent to enlist their participation in the semi-structured interviews. Find below those who participated in the virtual interview. As earlier posited, the interview channels include Microsoft Teams, Google Meet and Zoom meetings, whilst the average time for the interviews was about 1 hour as all interviews were audio recorded both on the platforms and with a digital tape recorder. Their privacy concern was addressed to be kept secret under the university ethics and UK GDPR Acts of 2018. Earlier, the study participants whose contacts were from the internet were shared with the consent and withdrawal forms, amongst other forms.

This qualitative interview was designed to produce data on the present state of the effectiveness of the board and audit committee in mitigating fraud in the Nigerian banking industry. These will capture the theoretical ideas for adopting the agency and stakeholders' theories because experiences, perspectives, and multiple lenses would come into play based on the questions drawn. The participants are the independent directors (board-14 and audit-15). With the adoption of thematic analysis and the application of NVivo software, the central and sub-themes would emerge for analysis.

5.2.2. Fig. 1. Experience and Corporate Governance Practices

Sub-themes are- Experience and Tenure and Assessment of Corporate Governance in Banks.

Experience and Tenure refer to their acquired knowledge and understanding. Next is the period/duration of employment the participants have worked as the BODs in their respective banks, ranging from a few years to over a decade. These responses exposed/established their individual experience accrued in services for their banks in Nigeria.

"This year, March 30. Made it six years that I have been with my bank."(Participant 3)

"Over four years, I have been with this bank."- (Participant 4)

"Five years. Sure, we do."- (Participant 5)

"For four years, I have been in this position in this bank."- (Participant 6)

"Twelve years."- (Participant 7)

"It is now three years."- (Participant 10)

"This year, March 30 made it eight years."- (Participant 11)

It is important to note that the participant's tenures and experiences vary.

Assessment of CG in the Bank: Convincing evidence showed that responses from the participants were positive in evaluating corporate governance in their bank by emphasising their bank's commitment to instilling sound corporate governance principles in its dealings with stakeholders. These directors admitted that their structure (Board) within the bank is responsible for ensuring that the corporate governance framework succeeds in their banks. The description highlighted their banks' hierarchical and centralised nature of corporate governance. Furthermore, they responded about the bank's stringent adherence to regulations, policies, and guidelines, underscoring its commitment to a well-regulated corporate governance framework.

"It is a body overseeing the sub-leadership of different sides of the bank. It has a central governance on it." - (Participant 1)

*‘‘Our job is to steer the bank with good governance for the interests of the industry, shareholders, depositors, and the society’’- (*Participant 3)

"The practice of corporate governance in my bank? Yes, it is good. The bank tries as much as possible to imbibe good corporate governance in dealing with the stakeholders."-

(Participant 4)

"First, I will start by saying that my bank is highly regulated and highly regulated, and we function based on certain policies and guidelines."- (Participant 5)

"*The practice of corporate governance in my bank? Yes, it is good. The bank tries as much as possible to imbibe good corporate governance in dealing with the stakeholders"*(Participant 6)

"Central Bank of Nigeria carried out the banking industry reform under Sanusi Lamido Sanusi when he was the Central Bank governor. The bank's issue in Nigeria was lack of corporate governance." (Participant 11)

"*Okay. Yes. I would briefly say that in Bank V, a Pan African institution, corporate governance is taken very seriously to ensure that those in management and those on the board are more accountable, responsible, and sensitive to the interest of shareholders*."- (Participant 12)

The responses from these interviewees provide a valuable glimpse into their extensive tenure and level of experience in practising corporate governance in the Nigerian banking industry. These participants offered unique perspectives on how their respective banks approach the corporate governance framework. These findings buttressed deductions and arguments in the literature that the board is the apex structure/mechanism in any organisation operating under the coverage of the corporate governance framework. Cadbury (1992), Adegbite E (2012) and the Central Bank of Nigeria (CBN, 2005, 2007 & 2012) on corporate governance code joined numerous scholars to confirm further that the leadership hierarchy in corporations starts with the BODs to lead and control the business firm. Hence, it is evident that in any publicly quoted firm, the cornerstone of corporate governance is the BODs, who set the tone at the top by establishing policies and procedures and ensuring compliance with relevant regulations. Scholars also posited that the roles and duties of the board of directors are critical in the implementation mechanisms that detect, prevent, and respond to fraudulent activities. Furthermore, these responses could be tied/linked to the structure and compositions of the BODs in the Nigerian banking industry, which is based on the mechanism's characteristics. Board structure and composition refer to how a set of board directors is established based on the characteristics, experiences, and qualifications of its members within a firm. In the context of mitigating fraud in the Nigerian banking industry, an effective board structure and composition are crucial for providing the necessary oversight and expertise to tackle fraud and uphold good governance (Ezeani, E., Kwabi, F., Salem, R., Usman, M., Alqatamin, R. M. H., & Kostov, P., 2023).

5.2.3. Table 1. The sampled participants for the Board/Corporate Governance

Below are the Identification and Tenure of the Directors that participated in the interviews:

S/N	INDUSTRY	DESIGNATION	YEARS OF EXPERIENCE
1.	Banking industry	Independent director	4
2.	Banking industry	Independent director	3
3.	Banking industry	Independent director	6
4.	Banking industry	Independent director	4
5.	Banking industry	Independent director	5
6.	Banking industry	Independent director	4

7.	Banking industry	Company Secretary	12
8	Banking industry	Independent director	7
9	Banking industry	Independent director	10
10	Banking industry	Independent director	3
11	Banking industry	Independent director	8
12	Banking industry	Independent director	6
13	Banking industry	Independent director	9
14	Banking industry	Independent director	4

This interview for the board of directors comprises fourteen members of Independent Directors of the central banks in Nigeria. This researcher contacted about one hundred (100) directors through their email addresses on the internet, but fourteen (14) positively responded and hence were interviewed. They have varied experiences, as shown in the table above. The least experienced had three years in office, while the most experienced had spent twelve (12) years as a board member. As shown below and as earlier stated, the first objective will be analysed using NVivo software for the thematic analysis to identify coding, themes, and sub-themes. Evidence from responses showed that questions posed to the recipients were applicable, valid, and specifically formulated to unearth evidence of the board's effectiveness (or ineffectiveness) in mitigating fraud in the Nigerian banking industry. These objectives (1 & 2) questions emanated from an in-depth exploration of the existing literature on banking, corporate governance, and fraud in the Nigerian banking industry.

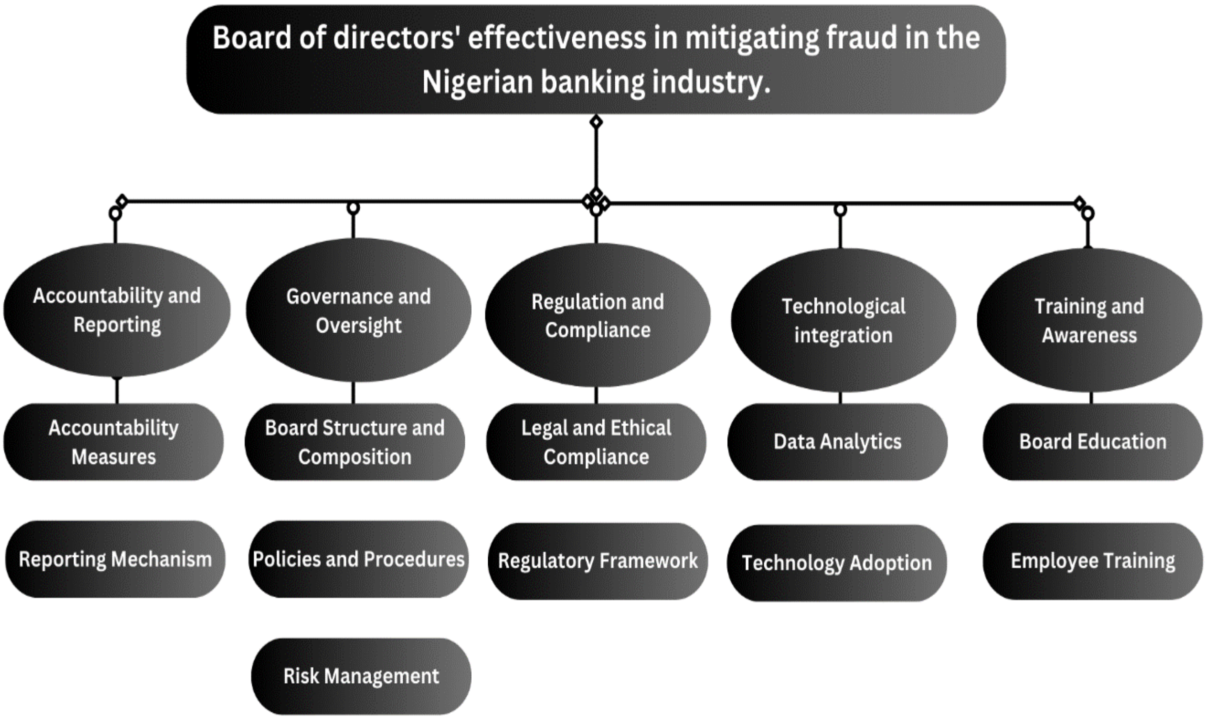
Indicatively, these specific questions were also to effectively aid the researcher in being exposed to the directors' perspectives, knowledge, understanding, challenges, and entire experiences in their governance practices to mitigate fraudulent activities and fraud in their banks. More so, these carefully formulated questions drawn from the existing literature through literature review were designed to aid in providing answers to the objectives. Interviews provide qualitative insights into the board's effectiveness in mitigating fraud in the Nigerian banking industry by exposing strategies, challenges, and successes. Data collections were thematically analysed using NVivo software to identify the main themes and sub-themes.

5.3 Analysis

This analysis involves understanding varied themes and sub-themes related to governance, oversight, regulation, accountability, and fraud. Below is the following discussion:

5.3.1. Figs. 2 & 3: The Themes as Structured with NVivo Excel Analysis Software

Themes	**Themes**	**Themes**	**Themes**	**Themes**
Accountability & Reporting.	Governance & Oversight.	Regulation & Compliance.	Technological integration.	Training & Awareness.
Sub Themes	**Sub Themes**	**Sub Themes**	**Sub Themes**	**Sub Themes**
Accountability Measures.	Board Structure & Composition.	Legal & Ethical Compliance.	Data Analytics.	Board Education.
Reporting Mechanism.	Policies & Procedures. Risk Management.	Regulatory Framework.	Technology Adoption.	Employee Training.



5.4. Main Theme: Accountability and Reporting mechanisms/roles

One fundamental way the board mitigates fraud in the banking industry is through appropriate reporting. Accountability and Reporting revolve around establishing clear organisational roles and responsibilities and ensuring transparency through effective reporting mechanisms. They emphasise accountability at all levels and the timely, accurate communication of relevant information to stakeholders. By focusing on accountability, the board fosters a culture of responsibility, ethical conduct, and transparent reporting practices to maintain trust and integrity within the industry.

5.4.1. Reporting Mechanism

This theme delves into the structured systems and processes within the Nigerian banking industry that facilitate the timely, accurate, and transparent communication of information to stakeholders. This study finds that reporting mechanisms are fundamental in upholding accountability, ensuring compliance with regulatory standards, and enhancing transparency and trust within the industry. The board's role encompasses various reporting aspects, from financial disclosures to regulatory reporting and stakeholder communications.

"Corporate governance must be well instituted and practised with reporting channels identified"- (Participant 12).

The findings showed that the board regularly report financial and operational data to the Central Bank of Nigeria (CBN) as per regulatory guidelines. These reports help in mitigating fraud in the banking system. It also ensures compliance with various regulatory requirements, including anti-money laundering regulations, know-your-customer (KYC) guidelines, and other industry-specific compliance standards. Participants admitted that the board provides reports on their risk assessment methodologies, identification of potential risks, and measures to mitigate them to help stakeholders understand the risk landscape and the bank's initiative-taking approach to risk management.

Furthermore, the study discovered that detailed reporting on credit fraud risk, loan portfolios, and credit quality is essential for stakeholders to assess the bank's exposure to fraud and risk appetite in lending activities. This report found that the board also exposes reports on transactional activities, account management, and other operational aspects, enabling monitoring and analysing daily operations and identifying any irregularities or unusual activities. The reporting on the bank's corporate governance structure, policies, and practices aids in ensuring transparency in the bank's governance.

Our examination showed that the board regularly communicates with investors, addresses inquiries, provides updates on financial performance, provides strategic directions, and addresses concerns. Communicating changes in policies, products, or services to customers to maintain transparency and ensure they are well-informed. Utilising digital platforms and software for real-time reporting enables stakeholders to access information promptly and conveniently, thereby mitigating the chances of fraudulent activities.

The interviewees highlighted the importance of accountability and corporate governance for the survival and stability of financial institutions. Poor corporate governance can lead to reputational risk damage and even institutional failure.

This study discovered that the bank's board provides external validation of the bank's financial position by including independent auditor reports on the fairness and accuracy of the financial statements. This alignment of reporting mechanisms with international reporting standards, such as International Financial Reporting Standards (IFRS) or Global Reporting Initiative (GRI) standards, ensures consistency and comparability at a global level.

5.4.2. Accountability Measures

This sub-theme emphasises the need for clear roles, responsibilities, checks, and balances to ensure that individuals and entities are responsible for their actions and decisions.

"People can just do what they want and mess up an entire institution."-(Participant 12).

This study finds that the board contributes to a culture of transparency, ethical conduct, and responsible governance within the banking sector. The board enforces the regulations set by the Central Bank of Nigeria (CBN), establishing standards and expectations for operational conduct, risk management, financial reporting, and customer protection. Regulatory bodies oversee banks' activities, ensuring compliance with laws and regulations through regular audits, inspections, and assessments.

"The board's role is to approve risk limits and ensure management reports on incidents, holding them accountable."- (Participant 2)

"Poor corporate governance can lead to institutional failure; hence, accountability is a key instrument"- (Participant 12)

It also provides strategic direction by ensuring adherence to corporate governance principles and regulatory requirements through its specialised committees (e.g., audit, risk, governance). Further inquiry revealed to this researcher showed that using various committees within the board, especially the audit, allows the board to focus on specific areas to enhance accountability and effective oversight. This committee enables the board to enforce a comprehensive code of conduct and ethics that outlines expected behaviour, integrity, and ethical standards for employees, directors, and stakeholders.

"The board's oversight function is crucial in addressing vulnerabilities and protecting the bank."- (Participant 2)

Participants discuss how the board approves limits for several types of risks, including fraud, as part of its oversight function. It also includes the board's responsibility to propose additional measures to address vulnerabilities.

"The board approves risk appetites, including those for fraud, to protect the bank's interests."- (Participant 2)

"*Setting risk appetites is a way the board proactively address fraud risks."* (Participant 2)

Further discoveries by this researcher exposed that the board conducts regular training programs to educate individuals on the organisation’s code of ethics and the consequences of breaching ethical standards. The board also defines measurable Key Performance Indicators (KPIs) for employees, aligns them with organisational goals, and evaluates performance against these indicators to encourage accountability and drive achievement.

The BODs establish clear policies that protect individuals reporting (whistleblowing) unethical behaviour, fraud, or misconduct within the banks, ensuring confidentiality and non-retaliation. As this research discovered, these measures allow the boards to provide anonymous reporting mechanisms, such as hotlines or digital platforms, for employees to report concerns without fear of reprisal.

Furthermore, it uses internal audits and engages external auditors to review financial statements, internal controls, and compliance, providing an additional layer of accountability and transparency. It also utilises technology to monitor and track employee activities, transactions, and system access, which aids in detecting irregularities and ensuring compliance with established protocols. Automating processes and documentation reduces manual errors, enhances accuracy, and establishes a clear audit trail for accountability.

This study also found that the board supports various training programs, workshops, and seminars that raise employee awareness of fraud. It continuously improves employees' skills, knowledge, and competencies, aligning their development with organisational objectives and encouraging employees to pursue relevant certifications and qualifications in their respective fields to enhance expertise and accountability in their roles.

"Enlightenment, enlightenment, enlightenment. You need to enlighten people on the risk and what they must do to ensure that it does not crystallise through their actions or inaction."- (Participant 5)

Further exposition gathered by this study during the interview showed that through her audit, the board ensures timely and accurate reporting of financial information to shareholders, regulators, and the public, providing a transparent view of the bank's financial health and performance. The board also clearly defined job roles, responsibilities, and expectations for each position to minimise ambiguity and foster individual accountability. More findings unveiled that the board aids in developing an accountability matrix that outlines the responsibilities of each department, role, or team, reinforcing a culture of ownership and answerability; these measures would collectively promote transparency, instil responsibility, and cultivate a culture of trust and integrity, strengthening the banking sector's credibility and sustainability.

Based on the existing studies revealed that the Board's prime role in the corporate governance framework covers oversight and responsible governance; Cooper (2009), John, Masi & Paci (2003) and Mulbert (2013) admitted that the board strategic position as designed by their functions ensure the provision of good leadership and effective oversights responsibilities that would encourage accountability, transparency, checks and balances through institutionalisation and the functioning of internal mechanisms to mitigate fraud while enhancing efficiency in the system. Further findings attest that BODs have encouraged training and retraining through investments to raise awareness to mitigate Nigerian banks' fraud.

5.5. Main Theme: Governance and Oversight mechanisms/roles

The Board committees play a significant role in corporate governance by overseeing various aspects, including compositions and functioning, whilst addressing accountability in financial transactions, governance, compliance, and fraud prevention by ensuring that the banks operate ethically and transparently.

The oversight responsibilities are strategically managed by the entities known as the board committees, whose supervisory powers include the decision-making within their areas of jurisdiction/coverage. These entities are the remuneration/compensation, audit, governance, risk, and nomination evaluate policies, plans, and projects who make sure that their hired agents (the MD/CEOs and the Executive directors) comply with set goals to justify investments through the delivery of results (OECD, 2022; Kolev, Wangrow & Barker 111, 2019)

"The board is responsible for ensuring that there is no fraud in the bank... We have the audit committees, which are responsible for the oversight of financial transactions." (Participant 6)

"The strategies or measures established by the board of directors to reduce fraud... they view the control system periodically and regularly carry out tests of controls within the system." - (Participant 6)

"The board and the executive management have gone through rigorous precertification to ensure that things like no conflict of interest are reviewed and in place."- (P12).

In mitigating fraud in the Nigerian banking industry, this study finds that the boards' roles in governance and oversight involve establishing a system of rules, practices, and structures that ensure ethical conduct, accountability, and adequate supervision within the banks. That represents corporate governance, and the board represents that in the practical sense. The board of directors (BODs) of the banks in Nigeria was found through the interview to provide critical strategic guidance and oversight to implement anti-fraud policies and procedures effectively. These also include structuring their characteristics/compositions in diversity and expertise, defining policies, monitoring risk, and upholding legal and ethical compliance to prevent fraud in the banking sector.

The respondents emphasise the role of the board of directors in providing oversight governance in fraud mitigation through whistleblowing and implementing measures to detect and prevent fraud effectively.

"The board provides oversight and encourages whistleblowing, making detecting and preventing fraud possible."- (Participant 4)

"The board is responsible for overseeing operations and evaluating profitability and stability" (Participant 5).

5.5.1. Board Structure and Composition

The findings of this research unveiled that the board members interviewed have diverse backgrounds, skills, and experiences that enable them to mitigate fraud. This diversity encompasses financial expertise, legal knowledge, risk management, technology, compliance, and other relevant areas contributing to effective fraud detection and prevention. Some board members even have experience in the banking or financial sector, which enables them to provide valuable insights into industry-specific fraud risks and best practices for fraud prevention.

*"Good corporate governance practice ensures that the organisation will operate well. So, it is well, you know, on principles of fairness and transparency in its dealings with stakeholders. -(*Participant 1)

This study observed that regular assessments and evaluations of board members, individually and collectively, help identify strengths, weaknesses, and areas for improvement. This establishes a culture of continuous learning and development within the board to mitigate fraud.

5.5.2. Policies and Procedures

The participant disclosed that one of the channels used to mitigate fraud in their banks is implementing and monitoring robust anti-fraud policies and procedures. They evidenced that their respective boards ensure that policies and procedures to detect, prevent, and respond to fraudulent activities are effectively in place. These policies, they admitted, set the tone for a zero-tolerance approach to fraud within the banks, outlining the specific steps and methods for identifying potential fraud, including red flags and suspicious activities requiring immediate attention and investigation. This study showed that the boards establish clear and accessible reporting channels/mechanisms for employees to report suspected fraudulent activities without fear of retaliation. This encourages a culture of transparency and reporting within the organisation, monitoring and enforcing adherence to the established policies and procedures to guarantee that all employees know and follow the guidelines to prevent fraud.

"Corporate governance has to do with the structures, the rules and regulations that govern the organisation. So, it has a positive impact on fraud. That helps to eliminate or reduce fraud."-
(Participant 1)

Evidence found by this researcher exposed that periodically, the BODs review and update policies and procedures to align with evolving fraud threats, changes in regulations, and technological advancements. Through these, they develop comprehensive training programs to educate employees on the anti-fraud policies and procedures, ensuring they understand their roles and responsibilities in preventing fraud, integrating anti-fraud policies and procedures into the broader risk management framework to address fraud risks in the context of overall enterprise risk management, aligning policies and procedures with risk mitigation strategies to address potential fraud risks and vulnerabilities proactively and with relevant external stakeholders, such as regulatory bodies and law enforcement agencies, to align policies and procedures with industry standards and legal requirements.

5.5.3. Risk Management

Another key finding was the institutionalisation and application of risk management in Nigerian banks. It involves identifying potential risks, evaluating their impact and likelihood, and implementing strategies to mitigate or eliminate them. In the context of fraud prevention, it was further discovered that the boards implement robust risk management practices to maintain the integrity of the banking system to safeguard the bank’s operation, and risk identification involves knowing diverse risks that can lead to fraud within the banking industry. These types of risks include operational, financial, technological, regulatory, and reputational risks. Once identified, the board must thoroughly assess these risks to understand their potential impact, likelihood, and interconnections. Since these are specific to fraud prevention, the banks ensure that a comprehensive assessment of fraud-related risks is vital, which involves evaluating the probability of fraudulent activities, understanding the potential damage they could cause to the bank and its stakeholders, and identifying the vulnerabilities within the organisation that fraudsters could exploit.

This subtheme focuses on risk management's responsibility to adapt to changes in risk patterns, including those arising from issues related to corporate governance, by highlighting the importance of continuous improvement in risk management processes.

"*Risk management must adapt to changing risk patterns and improve processes to identify new risks."*-(Participant 4)

"Environmental changes require risk management to review practices and identify emerging risks."- (Participant 4)

The discussion on how good corporate governance can contribute to reducing risks, particularly fraud risks, underscores the role of governance in creating an ethical and transparent organisational culture.

"Good corporate governance creates an ethical and transparent culture that helps reduce fraud risks."- (Participant 1)

"*Good governance policies discourage individuals from using their positions for personal gain, reducing fraud risks."*- (Participant 3)

Respondents recognised that corporate governance plays a significant role in managing fraud risks. They point out that inadequate corporate governance can lead to internal control loopholes, increasing the likelihood of fraud incidents.

"Corporate governance helps mitigate fraud risks arising from conflicts of interest within the organisation."- (Participant 2)

"*Good governance ensures that the organisation's objectives are clear and aligned, reducing opportunities for fraud."*- (Participant 6)

"*When governance aligns with organisational goals, fraudsters find it harder to exploit weaknesses."*- (Participant 7)

"All the factors have to do with the factors that can inhibit the organisation from achieving its objectives."- (Participant 1)

Risk management involves identifying potential risks, evaluating their impact and likelihood, and implementing strategies to mitigate or eliminate them. In the context of fraud prevention, robust risk management practices are crucial for maintaining the integrity of the banking system and ensuring financial stability.

We discovered that the board establishes clear risk appetite and tolerance levels. With these, the level of risks established, the bank accepts to achieve its objectives and designed approach to dealing with fraud-related risks. These help align risk management strategies with the overall business strategy. Once the identified and assessed risks are known, appropriate strategies to mitigate or manage these risks come into play. However, in the case of fraud prevention, the mitigation strategies can include implementing strong internal controls, utilising advanced fraud detection technologies, enhancing employee training, and establishing a robust reporting mechanism for suspected fraud. Continuous monitoring of risks, including fraud risks, is crucial to stay ahead of emerging threats. Also, this research found that regular reviews of risk management strategies, policies, and procedures are in place to ensure their effectiveness, relevance, and alignment with the evolving fraud landscape and regulatory changes.

"Risks arise due to a conflict of interest, nepotism, narcissism, and other things that have to do with people not behaving properly."- (Participant 1)

Another piece of evidence found was that the boards have ensured that their banks have well-defined crisis preparedness plans to respond effectively to fraud incidents, such as communication plans, incident response protocols, and strategies to minimise damage and recover from a fraud event.

5.6. Main Theme: Regulation and Compliance mechanisms/roles

A fundamental discovery of this study is the regulation and compliance with the laws, rules, standards, and guidelines set by governmental bodies, industry organisations, or other relevant authorities. The boards have created these. It shows that in the Nigerian banking industry and fraud mitigation context, the regulation and compliance mechanism is crucial in ensuring stability, transparency, and ethical conduct within the sector. The findings showed that the board supports strict adherence to the overarching rules and regulations established by government authorities (the Central Bank of Nigeria and other relevant agencies) to govern the banking industry, and these regulations include capital requirements, risk management, consumer protection, anti-money laundering, and fraud prevention.

5.6.1. Regulatory Framework

It is known that the regulatory framework is the cornerstone that ensures stability, transparency, integrity, and sound operations within the sector. In mitigating fraud, we found that a strong and effective regulatory framework is vital to maintaining confidence in the banking system, ensuring fair practices, safeguarding customer rights, and fostering confidence in the financial system. More discoveries by this researcher showed that it aids in promoting honesty, transparency, and fair competition to maintain the market's integrity, even as the boards use it to direct their banks to implement anti-fraud measures they created to protect against fraudulent activities within the banking sector. Compliance with these regulations fosters uniformity in corporate governance practices across banks.

"Regulatory authorities, particularly the Central Bank, mandate banks to implement specific corporate governance rules," emphasising the role of regulation in promoting uniform governance practices (Participant 2).

The regulatory framework mandates in this thesis established that the banks' boards have actively enforced anti-fraud policies and procedures through a comprehensive approach to preventing fraudulent activities within the industry. The framework encourages Nigerian banks to adopt global best practices in corporate governance, risk management, and fraud prevention, as do other compliant banks worldwide.

Banks comply with the apex bank's regulations that set the standards for corporate governance. These regulations serve as a common ground for all banks and promote uniformity in governance practices.

"Banks comply with central regulations that set the standards for corporate governance," fostering collaboration through a shared regulatory framework (P3).

5.6.2. Legal and Ethical Compliance

Another important finding showed that the board of directors had ensured necessary compliance regarding legal and ethical standards to maintain the integrity of the banking industry, foster trust among stakeholders, and effectively mitigate fraud. Legal compliance encompasses adherence to laws and regulations, while ethical compliance involves upholding moral principles and industry best practices. The board ensures that they are practised.

"Good corporate governance creates an ethical and transparent culture, making it difficult for fraud to thrive."- (Participant 1)

The board mitigates fraudulent practices through compliance with laws such as the Banks and Other Financial Institutions Act (BOFIA), Money Laundering (Prohibition) Act, and other relevant legislation regulating banks' functioning in Nigeria. The boards ensure that there is adherence to laws that protect consumers' rights, ensuring fair practices and promoting transparency in banking transactions, even as these comply with laws governing the collection, storage, and usage of customer data, ensuring privacy and security of sensitive information.

This research revealed that the boards made internal (employee contracts) and external (vendor contracts) inputs to maintain legal obligations and responsibilities in compliance with agreements and contracts. By these obligations and roles, the boards made it mandatory to uphold integrity and honesty in all dealings, including transactions, communication, and decision-making, to build trust with stakeholders and ensure fair treatment of all stakeholders, including customers, employees, shareholders, and the wider community, without discrimination or bias. The board also mitigates conflicts of interest by establishing clear guidelines and procedures to identify, disclose, and manage conflicts that may compromise objectivity and impartiality.

Legal procedures, such as obtaining court orders, are necessary for freezing accounts but can also be challenging. Participants provide additional insights. Freezing a customer's account often requires court orders and adherence to legal procedures. The time-consuming nature of these processes can impede swift action against fraud.

"Freezing a customer's account often requires court orders and adherence to legal procedures," demonstrating the procedural challenges (P6).

In providing clear and understandable information about products, services, fees, and customer terms, the study discovered that BODs ensure that informed decision-making is made to foster trust. The board also established policies that help promptly, somewhat, and transparently address customer complaints, demonstrating a commitment to customer satisfaction and ethical conduct. Aligning ethical practices with internationally recognised principles, such as those outlined by the Financial Stability Board (FSB), the board ensures that a global approach to ethical compliance and fraud prevention is established and complied with.

"Transparency and accountability, driven by good governance, are strong deterrents against fraudulent activities."- (*Participant 5)*

"Corporate governance has to do with the structures; they lose another that governs the organisation. So, it has a positive impact on fraud. That helps to eliminate or reduce fraud." - *(Participant 8)*

5.7. Main Theme: Training and Awareness mechanisms/roles

The BODs recognise that training and awareness in mitigating fraud in the Nigerian banking industry involve educating employees and stakeholders about fraud prevention, detection, reporting, and best practices. Participants exposed this revelation that the initiative-taking approach aims to equip individuals with the knowledge and skills needed to identify suspicious activities, adhere to anti-fraud policies, and contribute to maintaining a secure banking environment are in place. Findings exposed that the board provides comprehensive training programs to bank employees on fraud awareness, prevention strategies, and specific fraudulent activities they may encounter. Also, it helps the board educate employees on the latest fraud trends, tactics fraudsters use, and red flags to be vigilant about in day-to-day operations.

5.7.1. Board Education

The discovery in Nigerian banks such as Access Bank, First Bank, GTB Bank, Ecobank, and Standard Chartered Nigeria, to mention a few, where some directors admitted that Board education is an ongoing project to attune them to modern realities in banking. These would enhance their knowledge, skills, and awareness of evolving dynamics, including fraud prevention strategies, risk management, compliance, and emerging technologies. The finding showed that banks' boards recognised that a well-informed and educated board is instrumental in making informed decisions, providing effective oversight, and ensuring the overall integrity and stability of the banking sector.

With these recognitions, the board further instituted policies that raised a culture of continuous learning and development within the board itself. These findings show that boards demonstrate the need for ongoing education to stay updated with industry trends, regulatory changes, and best practices. Towards the provision of specialised training to board members on fraud prevention techniques, schemes, and evolving trends in financial crimes, others include the understanding of cyber threats and digital fraud prevalent in modern banking. These also aid in keeping the board members informed about regulatory updates and changes in compliance standards relevant to the industry, as these ensure the board complies with requirements and guide the bank's strategic decisions accordingly.

More so, it was discovered that it aids the board on risk assessment methodologies, risk appetite, and risk mitigation strategies and integrating fraud risk assessment into the overall risk management framework, which will help to instil ethical values and principles within the board whilst promoting a culture of integrity, transparency, and ethical decision-making that trickles down to the entire organisation. By educating the board about best practices in corporate governance, this researcher found that the apex body has directly ensured their compliance with international corporate governance standards and principles. They also have guest speakers and industry experts to share insights, experiences, and expertise on diverse topics related to fraud prevention, risk management, compliance, and technology trends. It will aid in the periodical evaluation of the effectiveness of board education programs and seek feedback from board members to refine and enhance the content and delivery methods for future sessions. This will ensure that the board education initiatives align with the organisation’s charter and governance framework.

5.7.2. Employee Training

Uppermost to the boards of the banks is the issue of training and retraining of staff as ways towards the mitigation of fraud. This finding unveiled that these trainings aim to enhance their understanding of fraud prevention measures, compliance with regulations, risk management strategies, and emerging technologies. The boards believe that a well-trained workforce is crucial in creating a secure and compliant banking environment while fostering a culture of integrity and continuous improvement. These trainings, as discovered, aid in providing targeted training to employees on recognising diverse types of fraud, including identity theft, phishing, money laundering, and other fraudulent activities prevalent in the banks. Indeed, it also helps employees with red flags, suspicious transactions, and fraudsters' techniques, enabling them to take appropriate action and report potential fraud. The board aids by conducting regular training sessions to educate employees on the regulatory framework governing the banking industry, emphasising compliance with laws, policies, and procedures. Given these, the trainings explain the consequences of non-compliance and the importance of adhering to regulatory requirements to maintain the bank's reputation and credibility. They help to incorporate training modules focused on promoting ethical conduct, integrity, and responsible behaviour among employees. It would also aid in educating employees on the bank's code of conduct, ethics policies, and the significance of upholding ethical values in their interactions with customers and colleagues.

Further discovery by this thesis exposed the training programs to enhance employees' understanding of cybersecurity, emphasising best practices to secure customer data, protect against cyber threats, and prevent cyber fraud. It also simulates phishing exercises to evaluate employees' responses and educate them on identifying phishing attempts and maintaining excellent customer service while adhering to security protocols, emphasising the balance between providing exceptional service and safeguarding against potentially fraudulent activities. Employees would build strong customer relationships while ensuring compliance with customer protection regulations, handling customer data, and the consequences of breaching confidentiality.

More discoveries that emerged from the interviews showed that banks in Nigeria piloted by the BODs through established policies aid in providing guidelines on securely managing, storing, and transmitting sensitive information digitally and physically and keeping employees updated on AML and KYC regulations changes. The training helps dictate security breaches, fraudulent incidents, crisis management, incident reporting, and escalation procedures, even as regular drills and simulations of crisis scenarios, including cyber-attacks and fraud attempts, are done for staff.

5.8. Technological Integration mechanism/role

Technological integration involves incorporating and applying advanced technologies, software systems, and digital tools into an organisation's existing processes, operations, or systems. This study discovered that the board admitted that technological integration enhances efficiency, productivity, data accuracy, and decision-making by leveraging innovative solutions to streamline tasks, automate processes, and optimise overall performance. Consistent with studies on the importance of technical innovation (Khan et al. 2024; Belloc 2012), the board adopted digital platforms, artificial intelligence, big data analytics, blockchain, machine learning, and cybersecurity measures to drive innovation, improve customer experiences, and enhance fraud prevention and detection capabilities.

5.8.1. Technology Adoption

More findings revealed that the boards of the banks approved the adoption of AI and ML technologies in the Nigerian banking system, where the implementation of algorithms and models to analyse large volumes of data to identify patterns, detect anomalies, and predict potentially fraudulent activities is in operation today. This study finds that the technologies aid in improving their abilities to detect sophisticated fraud schemes and adapt to new tactics employed by fraudsters whilst ensuring the enhancement of their security and transparency within the industry. Blockchain helps to securely manage transactions, contracts, and customer records while ensuring compliance with predefined rules and minimising potential fraud through tamper-proof mechanisms. However, as research findings revealed, the issue of a national database not existing has been disturbing.

"*Part of your challenges is the lack of a national database. The national database would be able to identify every citizen... You know, so because of that, you see some of the processes leaving the bank or even the corporates running away before the investigation is fully completed... Technology is also part of the challenge."* (Participant 7)

Another finding the boards encouraged was adopting biometric authentication methods the CBN mandated banks use. The board made it possible for banks in Nigeria to implement this method through policies and the provision of funds to acquire technologies like fingerprint scanning, facial recognition, and voice recognition to provide higher security. These add an extra layer of authentication, reducing the risk of unauthorised access and potential fraud attempts. Customer-facing technologies like mobile banking apps, online portals, and chatbots improve customer experience and engagement. Secure and user-friendly platforms encourage customers to conduct transactions online, reducing the likelihood of fraud associated with traditional, less secure methods. The role of corporate governance in ensuring that these procedures are followed is highlighted.

"*For the very fact that you talked about the issue of accountability, but the fact that everybody knows that he can be, his BVN and all his accounts can identify him can be traced with the same BVN and wherever their accounts exist in their banking system. You know, that helps to shape people's behaviour."* (Participant 1)

Implementing real-time transaction monitoring systems enables Nigerian banks to monitor and detect suspicious transactions instantly, triggering alerts for further investigation. This research discovered that the banks' board encouraged real-time monitoring and integration of advanced encryption techniques to ensure secure transmission and storage of sensitive customer data, minimising risks of data breaches and unauthorised access. Also, the board aids in the establishment of robust data protection to mitigate cyber fraud and safeguard customers' privacy.

5.8.2. Data Analytics

The board of director of the banking industry of Nigeria have been found to have been effective in their roles by encouraging the operation of data analytics, which involves the examination of large and diverse datasets using various tools and techniques to identify patterns, trends, anomalies, information that can aid in fraud prevention. This thesis discovered the employment of anomaly detection algorithms to identify deviations from expected patterns, helping detect fraudulent transactions or activities that stand out from normal behaviour. Furthermore, the discovery exposed that data analytics helps banks recognise fraudulent behaviour patterns, allowing banks to anticipate potential fraud attempts and take preventive actions accordingly, segmenting customers based on various parameters such as transaction history, demographics, and behaviours to understand different customer groups' characteristics and preferences. Analysing customer segments can aid in identifying potentially fraudulent activities by comparing behaviour against typical patterns for each segment and utilising data analytics to assess credit risk associated with lending, analysing credit scores, payment histories, debt ratios, and other relevant data to determine creditworthiness and minimise the risk of default or fraud. Analysing operational data to identify inefficiencies, bottlenecks, or redundant processes that must reduce costs and enhance operational efficiency. Monitoring and analysing transaction data can also lead to streamlining processes and reducing the chances of errors or fraud in operations.

Real-time alerts enable prompt action, helping prevent or minimise the impact of fraudulent transactions and implementing data analytics to ensure data quality, consistency, and accuracy, enhancing the overall data governance within the organisation. Continuous monitoring and data quality analysis contribute to reliable analytics outcomes and informed decision-making, employing machine learning algorithms like decision trees, random forests, and neural networks to enhance fraud detection accuracy and automate fraud prevention processes.

Advanced algorithms can continuously learn from data and adapt to evolving fraud patterns, enhancing the bank's ability to stay ahead of fraudsters.

5.9. Evaluation of the Responses from the Interview Questions

The responses from the directors provide a comprehensive and valuable glimpse into the identified themes and sub-themes in their practising of corporate governance against fraud in the Nigerian banking industry. These participants offered unique perspectives that led this research to the following discoveries based on the questions asked:

Q1: There *is variation in the length of service from years to over a decade, and these affect their understanding and experiences in the banks in Nigeria*. The directors' positive dispositions and evaluation of the progress of corporate governance (Pathak PhD et al.) in their banks and faith-emphasis of their commitment to good governance by instilling sound CG culture cannot be underestimated or over-emphasised. These findings underscored their position as the most elite body embodied with CG, representing the shareholders/stakeholders and being responsible for safeguarding the banking industry; hence, the hierarchical and centralised nature of CG identifies them as such. These findings buttressed deductions and arguments in the literature that the board is the apex structure/mechanism in banks, which confirms them as leaders who direct and control the banks by establishing policies and procedures while ensuring oversight compliance with relevant regulations. Previous studies identified these discoveries by exposing the roles/responsibilities/duties/functions of the board of directors as critical in the effective implementation of the principles of CG in any corporation (Cadbury, 1992; Adegbite, 2010, 2012). Furthermore, the Code of Corporate Governance instituted by the Apex Bank in Nigeria in 2005, with further directives to her banking and financial industry in 2007 and 2012, attests to these authors' positions on the place of the BODs in firms. More explanations from scholars exposed the structure and compositions of the BODs towards adequate dispositions of the functions cannot be divorced from their characteristics.

Board structure and composition refer to how a set of board directors is established based on the characteristics, experiences, and qualifications of its members within a firm. In the context of mitigating fraud in the Nigerian banking industry, an effective board structure and composition are crucial for providing the necessary oversight and expertise to tackle fraud and uphold good governance (Ezeani et al. 2023a; Avci et al. 2018)

Q2: The findings here exposed *an official cordial relationship between Independent/Non-Executive and Executive Directors* in their banks. Non-executive directors were seen as focused on representing shareholders' interests and providing transparency, while Executive Directors were more involved in daily operational aspects. The alignment between the prime interests of shareholders and the actions taken by the board aimed to mitigate fraud and meet the shareholders' expectations of firm protection whilst maximising profits was evident. Participants also highlighted the board's role in managing operational risks and investigating fraud incidents, emphasising the importance of accountability and adherence to legal and regulatory frameworks. Deductions from the above findings exposed positions of literary studies that a critical principle of corporate governance is the harmonisation of interests, which is essential in the relationship among directors in the bank. This principle aids in solving one of the critical agency problems involving the principal and agent, which is the conflicts of interest, hence provides cover for effective mitigation of fraud in the banks (Fama 1983; Claessens 2006; Okeahalam and Akinboade 2003; Ajibo and Ajibo 2019). If mishandled or jeopardised, this complex relationship between the Executive Directors and the Independent/Non-Executive Directors has the propensity to affect the board's effectiveness in executing their duties, hence truncating plans to mitigate fraud.

Q3: A plethora of literature admitted that the presence of the board can effectively contribute to detecting and preventing fraud in banks through the adequate adherence to CG principles, establishment and overseeing of the implementation of policies, effective coordination of the internal compliance mechanisms such as the internal control, risk management and internal audit, as well as the continuous investments in training and technology (Alazzabi et al. 2023; Enofe et al. 2017; Bhasin 2016b). Participants acknowledged that *board oversight, support for fraud investigation and encouragement of whistleblowing efforts are evident in the banks and that fraud prevention is an ongoing process*. They also posited that applying good CG in reducing fraud risks through creating an ethical and transparent organisational culture is practised while identifying internal and external fraud cases, identity theft, electronic fraud, and the collaboration between internal and external parties as existing in their banks. Prior studies argued that a board strategic position ensures the provision of good leadership and practical oversight responsibilities that encourage accountability, transparency, checks and balances through institutionalisation and the functioning of internal mechanisms to mitigate fraud and enhance efficiency in the system (Usman et al. 2022c; Cooper 2009; Yeoh 2016).

Q4: The responses to this question revealed that the board played a significant role in providing oversight and accountability, setting risk appetites, and evaluating the bank's performance; hence, *objectivity and independence are ensured during fraud investigations. The independence of fraud investigation units and their authority to suspend employees pending the outcome of investigations are guaranteed without interference by the board.* Participants highlighted that risk management continuously adapts to changing risk patterns to improve risk management processes with the board's encouragement. Good corporate governance is a strong deterrent against fraudulent activities, with an emphasis on transparency and accountability in reducing fraud risks while conceding that boards' objectivity and independence are key elements that aid in combating fraud (Singleton et al. 2006; Joshi and Wakil 2004; Roszkowska 2021). Further evidence from the literature attests to these findings in Nigerian banks. This plethora of scholars (Babatunde et al. 2021; Erin et al. 2016; Herbert and Agwor 2021) argued that multiple evidence abounds in the Nigerian banks with credit to the boards' creation of/and their oversight leading to the functioning of the policy of the risk framework and whistleblowing that have enhanced accountability and transparency.

Q5: Evidence from the participants opined that *whistleblowing and accountability are found in the operations of Nigerian banks. The significance of whistleblowing in promoting transparency and accountability was highlighted while observing that the anonymity of whistleblowing systems encouraged employees to speak up on unethical practices without fear of retaliation.* These are significant components in maintaining greater transparency and trust amongst stakeholders, even as the participants admitted that employees know the effects of unethical activities in the banks. (Erin and Bamigboye 2020). Further discoveries by this research confirmed the existence of Whistleblowing, Accountability, and Transparency and that board oversight functions are practical in the strategic delivery of good CG to rekindle the trust and confidence the shareholders, depositors and other stakeholders have in them. These could be seen in the industry's stability, reduction in fraudulent activities, and growth in the performance of the banks in Nigeria. In 2012, the CBN directive mandated banks in Nigeria to enhance disclosure, accountability, and transparency by institutionalising the whistleblowing mechanism. The oversight responsibilities are strategically managed by the entities known as the board committees, whose supervisory powers include the decision-making within their areas of jurisdiction/coverage. These identified entities covering the audit, the remuneration/compensation, governance, risk and nomination/nominating evaluate policies, plans, and projects and make sure that their hired agents (the MD/CEOs and the Executive directors) comply with set goals to justify investments through the delivery of results (Kolev et al. 2019; Anya and Iwanger 2019)

Q6: Responses received exposed the discovery of unstable relationships amongst banks due to competition and protection of image, which frost speedy delivery of answers or actions expected from another bank in pursuit of a criminal transaction through e-banking. The role of the board's intervention is limited because of the industry's high regulation/opaque nature. This is because all matters between banks pass through interbank meetings supervised by the CBN to harmonise all disputes and reconciliations in overseeing various aspects, including financial transactions, governance, compliance, and fraud prevention. However, the participants highlighted the importance of the board's audit committee in recommending measures to uphold corporate governance standards. However, they admitted that the board and regulatory authorities played a crucial role in maintaining standards and compliance with governance rules and fostering uniformity in practices. Many scholars argued that issues identified as findings from interviews with directors are familiar, suggesting that weak corporate governance has led to the collapse of many firms, including banks. These authors advocated that if the directors could step up their responsibilities for effective and efficient interactions amongst banks, these identified issues could be ameliorated, hence aiding banks in mitigating fraud (Jegede 2014; Emefiele et al. 2018; Amupitan Moses Dare 2015). Abu-Shanab and Matalqa (2015), Borgogno and Colangelo (2020) admitted with this research findings that fraud exists in interbank but went further to state that if XS2A is effectively implemented, it could open competition in ways that consumer disengagement and information asymmetry problems may be mitigated hence reducing fraud amongst banks.

Q7: The responses to this question reveal findings on the collaboration between the BODs and the AC, which is focused on supporting the bank's ability to prevent fraud. *The discovery that the BODs actively support the AC by ensuring that necessary resources are supplied to aid in their functions, non-interference with their activities, and act promptly on the Committee's recommendations.* Additionally, the BODs adopt measures to address emerging trends in fraudulent activities, including establishing an internal control unit and providing resources to support anti-fraud activities. This approach involves deploying resources, such as tools, for the Audit Committee to perform their duties effectively. These discoveries are coded as themes and sub-themes in this research, explaining what existent literature asserted that the BODs must ensure in their oversight responsibilities after creating policies for transparency and compliance to exist. Price, Roman and Rountree (2011) agreed with the participants that transparency and compliance improve corporate governance, increasing performance. Chiang and He (2010) argued that continuing education is a vital factor that enhances organisational transparency if all BOD supervision capabilities are aggregated. On the naming and shaming of fraudulent staff, Tade and Adeniyi (2020) confirmed the existence of this policy as a mechanism to instil discipline in the industry.

Q8: Participants offered the skills they believe are necessary to enhance the BOD's effectiveness in combating fraud. The projections indicate that mobile and electronic fraud will rise significantly in the coming years. *To combat these emerging trends, cybersecurity awareness, audit experience, risk audit experience, and expertise in electronic banking are considered essential. Other identified skills are investigative, strong analytical, communication, passion, and solution-providing skills.* These skills are critical to addressing the increasingly sophisticated nature of fraud in the banking sector. The responses also highlight the importance of good corporate governance in mitigating fraud, sharing best practices, and ensuring compliance with standardised banking procedures. Furthermore, they emphasise the role of regulatory actions and customer education in building trust and transparency within the industry. Previous studies evidenced that human capital's nexus to fraudulent activities has the capacity and ability to play significant roles in mitigating fraud. (Bhasin 2015a; Marais and Odendaal 2008)

Q9: Participants identified the critical challenges faced by the Board in mitigating fraud risk, and potential solutions were identified to overcome these challenges. *These challenges are technological issues, including the need for a national database, ICT infrastructure problems, skill shortages due to brain drain, and effective communication and information sharing.* To address these challenges, participants suggest needing a national database, improved technology infrastructure, and training programs to develop skilled personnel. Retaining talent and ensuring staff motivation is crucial. Participants emphasised the significance of reputation and accountability as deterrents against fraud. Additionally, regulatory and governance challenges were identified, with a recommendation for more frequent meetings and stakeholder engagement to improve the regulatory environment. Effective communication and information sharing within the board and between banks were considered essential, as cooperation among industry players is seen to address challenges. A plethora of literature has argued that numerous challenges trump up when it comes to understanding governance mechanisms and methods of preventing fraud within banks. However, that all revolves around the management of risks. (Mohd-Sanusi et al. 2015)

Q10: Participants recommend strengthening corporate governance by emphasising the importance of having skilled and knowledgeable individuals on the board and in leadership positions with integrity and ethical values, advocating stricter implementation of existing regulatory frameworks, creating a national database for enhanced identification and tracking, ensuring a well-balanced board with diverse skills and ethical conduct, enhancing whistleblowing mechanisms, addressing economic factors that influence fraud, focusing on continuous improvement, especially in the realms of cybersecurity and emerging technology trends, replicating best corporate governance practices, implementing merit-based promotion systems, and promoting stakeholder engagement and transparency in the governance process. These recommendations aim to improve corporate governance while projecting more robust fraud mitigation in the next five years.

5.10. Summary

In summary, a collaborative approach that integrates robust governance structures, ethical cultures, compliance with regulatory standards, technological advancements, continuous education, and a commitment to accountability and transparency is crucial for the Nigerian banking industry. Emphasising these aspects strengthens the industry's resilience against fraud, enhances stakeholder trust, and fosters a sustainable and reputable banking sector.

CHAPTER SIX: AUDIT COMMITTEES' EFFECTIVENESS IN MITIGATING FRAUD

6.1 Introduction

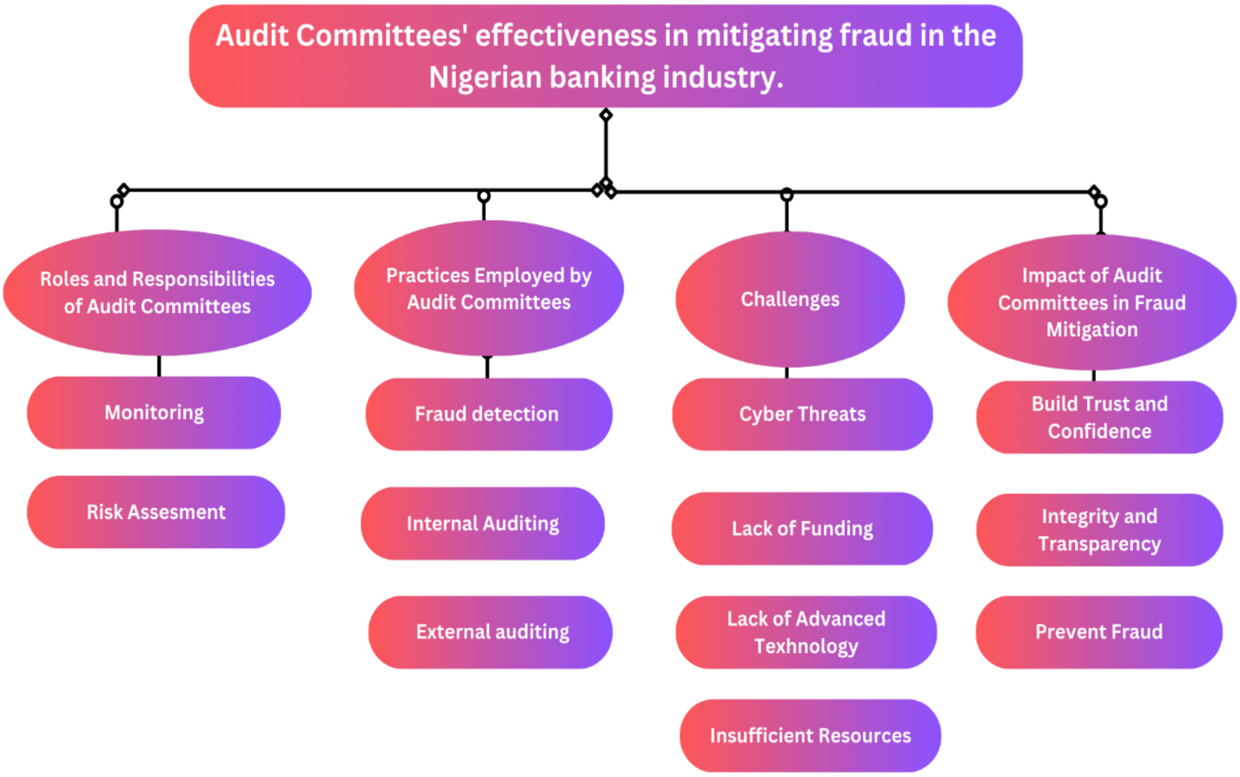
This chapter examines the audit committee's effectiveness in mitigating fraud in the Nigerian banking industry. The Audit Committee (AC), as an operating body, is situated within the Board of Directors (BOD) and is one of the vital units/committees that independently oversee the financial statements and reporting of the banks. Crucially, the analysis of the ACs' activities relating to mitigating fraud in Nigerian banks can never be underestimated as the committee's functionality, importance, impact, challenges, and relationships with other board members will be exposed towards attaining the objective of this study. The challenges it faces will be discussed, and solutions will be analysed here. To this effect, this study considered the varied opinions of audit committee members. Mainly, it focuses on how their oversight roles help mitigate Nigerian banking industry fraud. This examination aims to gain insight into the role of audit committee members and how this subset ensures that corporate governance principles are upheld in the fight against fraud in Nigerian banks. Notably, the examination will further expose the extent of the committee's support to strengthen the detection and prevention of potential fraud in the banks.

However, prior studies (Zhou et al. 2018; Hoitash and Hoitash 2009; Pathak PhD et al. 2014) admitted that the board has multifaceted assignments that leads to strategic decisions which need effective implementation. The board have different committees such as audit, and each has different assignments with different objectives which, at certain times, create conflicts among the board members. Because these subsets objectives clash at some points, the need to properly streamline such clashing objectives becomes necessary. A typical example is the objectives of the audit and the compensation committees. Here, the Compensation committees' objectives grant CEOs compensation packages based on performance. However, this vast grant could motivate the CEO's bad performances to reflect better performances through his influence on the firm's financial reporting process. The objective of the audit committee is to oversee the process and ensure that the quality of the financial reports is not compromised. Hence, the outcome at the board would favour a compensation package that would not be detrimental to pose a risk/ or would favour a compensation package that lowers the risk of fraudulent activities- earnings manipulations.

6.2 The Empirical Analysis of Objective Two

In this study, to better understand the effectiveness of the audit committees in mitigating fraud in the Nigerian banking industry, the thematic approach with the adoption of NVivo software will be applied in the analysis to identify each theme and its relevance. Following the interviews, the gathered data underwent a rigorous and systematic analysis process to derive meaningful insights and identify recurrent patterns of thought and behaviour. The qualitative data was analysed using NVivo, a specialised software for qualitative data analysis. The utilisation of NVivo allowed for a structured and efficient examination of the narratives and viewpoints shared by the interviewees. Initially, the transcripts were carefully read to enable the researcher to be familiar with the content and context of the interviews. This process ensured a thorough understanding of the data and set the stage for subsequent coding and theme development. After the familiarisation process, initial codes were generated with key phrases, sentences, and concepts identified and assigned codes based on their relevance to the research objectives. This coding process adopted was inductive to allow for the emergence of new codes from the data. The identified themes and sub-themes were thoroughly reviewed, refined, and validated by cross-referencing them with the coded data. In effect, discrepancies or inconsistencies were addressed to ensure the accuracy and coherence of the identified themes, and then findings and results would emerge.

Fig. 1. Emerged Themes and Sub-themes from Audit Committees' Effectiveness Against Fraud in the Banks in Nigeria.



6.2.1. Main Theme: Diversity of tenure as a member of the audit committee

Participants provided their experience as members of the audit committee. Their responses are shown in Table 1.

Table 1. Year of experience as a member of the audit committee

S/N	Participants	Designation	Years of Experience
1.	Participant 1	Member of Audit Committee	6
2.	Participant 2	Member of Audit Committee	4
3.	Participant 3	Member of Audit Committee	7
4.	Participant 4	Member of Audit Committee	8
5.	Participant 5	Member of Audit Committee	5

6.	Participant 6	Member of Audit Committee	6
7.	Participant 7	Member of Audit Committee	4
8.	Participant 8	Member of Audit Committee	1
9.	Participant 9	Member of Audit Committee	6
10.	Participant 10	Member of Audit Committee	10
11.	Participant 11	Member of Audit Committee	5
12.	Participant 12	Member of Audit Committee	6
13.	Participant 13	Member of Audit Committee	3
14.	Participant 14	Member of Audit Committee	9
15.	Participant 15	Member of Audit Committee	5

6.3 Analysis

Participants' responses showed diverse designations and experiences as members of the Board Audit Committee (BAC), commonly addressed as The Audit Committee. Examining the effectiveness of audit committees in mitigating fraud in the Nigerian banking industry involves analysing several themes and sub-themes related to their roles, practices, challenges, and impacts, as discussed below.

6.4. The Main Theme: Roles and Responsibilities of Audit Committees

The audit committee is a subset of the Board of Directors with assigned responsibilities that ensure the financial satisfaction of the banks to the shareholders and all stakeholders. This study's findings on audit committees of different banks in Nigeria through the semi-structured interview data gathered exposed the committees to be involved in making sure that the bank statements are reliable and correct, ensure that the recruitment of external auditors is done, prompt review and overseeing of all financial records/documents of the banks; review of the internal compliance mechanisms such as the internal control, risk management and internal audits while carrying the responsibilities of ensuring that fraud is mitigated in the banks. Evidence showed that these roles are achieved through oversight, monitoring, and assurance.

Though a subset of the board, audit committees must communicate with the giant board of directors and senior management by providing updates and recommendations related to financial reporting, risk management, and control processes.

"While the primary goal of audits is to ensure compliance and detect fraud, the audit process can also lead to process improvements and efficiency enhancements." (Participant P10)

The roles and responsibilities of audit committees are crucial in ensuring transparency, accountability, and the integrity of financial information, which are vital for stakeholders' confidence and trust in the organisation's financial reporting and management practices. *"Auditors also review processes, and in some instances, they detect weaknesses in processes which lead to fraud." (Participant 2)*

"One is systems and processes." (Participant 6)

"The audit's role does not stop at detection. When auditors uncover irregularities or fraud indicators, they play an essential role in reporting their findings to bank management." (Participant P10)

6.4.1. Monitoring/Oversight roles and responsibilities.

Monitoring and Oversight are sub-themes derived from the fundamental aspect of the audit committee's roles and responsibilities in mitigating fraud while enhancing its overall operational efficiency. This sub-theme delves into the core responsibilities, emphasising the need for effective control systems and robust risk management processes to combat fraud effectively. Through this semi-interview, this study discovered that the audit committee oversight and monitoring responsibilities are vital to a sound governance framework, ensuring that the banks' control systems function efficiently.

"What we do is to investigate, find the root cause of the problem... that is the first thing they do, find the root cause." (Participant 3)

. *"As an auditor, the focus should be on management. Senior managers. That is where the focus should be. They present a higher risk."*

These committees' critical and specialised role also ensures that financial reporting is accessible from unethical abuses such as earning management, repurchasing agreements, falsifying figures by misleading entries both in the account and financial statement by allowing the audit clients or others to present/make misleading/false entries, seeking for financial inducement or begging for loans, concealing information, inflated revenue and assets, misrepresentation of figures by omitting or exaggeration of figures, auditing failures, amongst others.

These findings also exposed that the audit committees of the Nigerian banking industry aid in overseeing that the banking staffers align with the organisation's objectives and regulatory requirements as their oversight involves the careful observation, surveillance, and supervision of the banking processes, operations, and activities against managers who intentionally decided to misstate records of financial dealings to represent banks' performance in finance.

"Yes, because every fraud that happens in the bank is threatening the existence of that bank." (Participant 12)

"*Then also they see gaps in terms of identifying gaps in terms of compliance... If it has not complied to the policies, then we know and note those gaps in policy."(Participant 3)*

The monitoring/oversight roles of the audit committees of the Nigerian banks from this academic finding showed the coverage against the abuse of the bank's corporate cards relating to credit due to the dishonesty of managers. Furthermore, their oversight responsibilities also cover the areas where personal gains or any other opportunistic front manifests to affect or violate the ethical standards of finance. Most of these findings uncovered through these banks'

Audit committee oversight exercises hinged on the comprehensive assessment of financial reporting, internal mechanisms such as controls, risk management, internal audits, external auditors, and compliance with laws and regulations.

"Audits contribute to fraud prevention not only by detecting issues but also by maintaining oversight and control over various financial aspects." (Participant P10)

"In addition to just reviewing activities, auditors also review processes." (Participant 4)

"The board also has a Whistle-blowing policy which ensures that nothing is hidden or perished in the system." (Participant 5)

"Auditors function as a safeguard against fraud." (Participant 10)

Evidence showed that the audit committees of the banks in Nigeria try to ensure that these elements are functioning effectively and in alignment with the organisation's mission and goals. Their monitoring activities entail reviewing and assessing systems, processes, and performance indicators to ensure compliance with established policies and procedures. While it also involves tracking the effectiveness and efficiency of control systems, identifying weaknesses or deficiencies, and recommending improvements to the executive management to mitigate risks, the audit committee, as discovered, is also involved in the process related to authorisation, segregation of duties, access controls, and transaction monitoring in their banks.

"Audits serve as a checker of all banking processes, conducting thorough reviews to ensure that there are no hidden transactions or misrepresentations." (Participant 10)

6.4.2. Risk Assessment

Risk assessment is critical to the audit committee's responsibility to mitigate fraud in the Nigerian banking industry. This sub-theme explores the intricacies of risk assessment, focusing on its significance in identifying and mitigating fraud risks. It underscores the importance of a thorough understanding of fraud-related risks, initiative-taking assessment strategies, and the role of audit committees in ensuring a robust risk management framework within the banking sector. This study discovered that the board can be part of risk assessment if the systematic process involves identifying, analysing, prioritising, and developing potential risk mitigation processes which banks may face or even person (s) of interest.

"The board gets involved if a senior person is involved." (Participant 3)

These findings detailed the context of audit committees and fraud prevention within the Nigerian banking industry; risk assessment plays a vital role in identifying various fraud risks and evaluating their potential impact on the organisation. Understanding these risks is vital for developing effective strategies to mitigate them and safeguard the integrity and stability of the banking industry.

The study finds that fraud risks in the Nigerian banking industry encompass a broad spectrum, including internal and external collaboration. Furthermore, it embraces board-related fraud, Management-related, Operational, Document, Cyber, Credit, Cash Suppression, ATM Pilfering, Money laundering, and Terrorism Financing, as identified by varied respondents.

"Examples of the types of fraud cases in my bank are Travel and expense claim falsification, cash pilfering, credit fraud, and suspense account abuse." (Participant 1)

"We have the ones of ATM card swap. Cash pilfering. Account impersonation. These are always common in the bank." (Participant 5)

"People trying to manoeuvre their way into calling our customers online. Even doing account opening processes. Impersonation and identity theft are significant issues in our bank."(Participant 4)

"Before now, it used to be in forex...Foreign exchange is a hotspot for fraud... credit fraud." (Participant 3)

"Recently, we also discovered fraud taking place in deceased customers' accounts." (Participant 12)

The discovery of this study exposed a comprehensive risk assessment that allows audit committees to identify and categorise these risks, considering their likelihood and potential impact on the organisation to aid in prioritising areas that require immediate attention and resource allocation for effective fraud prevention. Understanding the potential impact and likelihood of fraud risks is essential for developing targeted mitigation strategies because some risks might have a high probability but a lower impact. In contrast, others could have a lower likelihood but a severe impact. Audit committees can allocate resources judiciously to manage and mitigate fraud risks by evaluating and quantifying these aspects.

As discovered by this thesis, the first step in risk assessment involves a comprehensive (1) identification of potential fraud risks specific to the banking industry, which entails examining internal and external factors that could lead to fraudulent activities, such as inadequate controls, outdated systems, economic conditions, regulatory changes, or technological vulnerabilities. (2) Next is to assess the potential impact of each risk on the organisation, considering financial, reputational, legal, and operational implications; banks can then (3) prioritise their risks based on their severity and the potential harm they could cause, hence allowing for a focused approach to risk mitigation.

6.5. Practices Employed by Audit Committees

The participants admitted that their bank's practice employed by audit committees involves activities and strategies that these specialised committees use to effectively fulfil their oversight, monitoring, and advisory roles within an organisation. These practices are crucial in maintaining financial integrity, adherence to regulations, and overall good governance.

"The strategies and measures employed by the Audit to minimise the risk of fraudulent behaviour in my bank are continuous education/awareness on conduct." (Participant 1)

"Continuous education and awareness on conduct is pivotal. The staff needs to be constantly reminded of the ethics and the significance of keeping to undented integrity in their work." (Participant 1)

Audit committees of Nigerian banks routinely review the organisation's financial statements, ensuring accuracy, transparency, and compliance with accounting standards and regulatory requirements. It includes scrutinising income statements, balance sheets, cash flow statements, and footnotes.

"Constant review and adaptation are key. The risk landscape is always changing, and we need to adjust our strategies and procedures accordingly to stay ahead of potential fraudsters." (Participant 2)

Further findings exposed the committees engaging external audit firms (the 'Big 5') to review the audit plan, assess the independence and performance of the internal auditors, internal controls, and risk management, and ensure effective communication between the auditors and management. They also evaluate audit findings and recommendations.

Another key finding is that vital committees oversee and review whistleblower mechanisms to ensure that employees have avenues to report potential misconduct or fraud confidentially and without fear of retaliation. Audit committees participate in comprehensive risk assessments to identify risks that could affect the organisation.

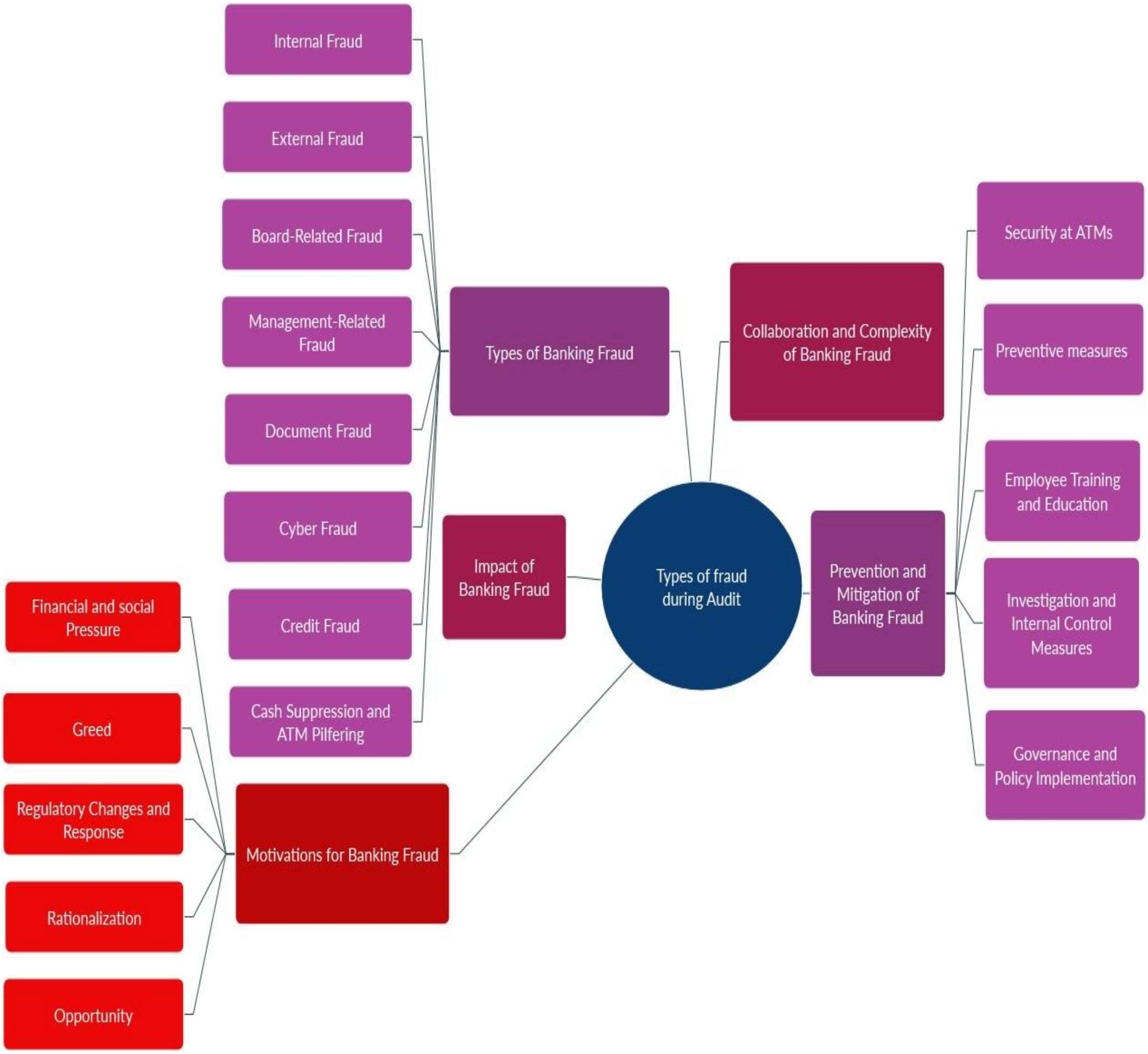
"We encourage whistleblowing a lot if there is any unethical behaviour, any fraudulent events that have happened or that someone is doing or is planning to have to do." (Participant 7)

They collaborate with management to develop risk mitigation plans and strategies to address these identified risks effectively. These committees in Nigerian banks promote ongoing education and training for committee members to inform them about the latest accounting standards, regulatory changes, emerging risks, and best practices in governance and auditing.

These practices empower audit committees to exercise effective oversight and contribute to the organisation's overall governance, risk management, and compliance, fostering transparency and trust within and among stakeholders.

"Our risk-based customer profiling is meticulous. We assess high-risk transactions and industries to understand the potential risks. This way, we can tailor our prevention measures accordingly." (Participant 6)

Fig. 2: Types of fraud and issues exposed by the audit.



6.5.1. Fraud Detection

This study found that Fraud in banks in Nigeria takes various forms, including financial statement fraud, misappropriation of assets, bribery, Board-related fraud, Management-related fraud, Operational fraud, Document fraud, Cyber fraud, Credit fraud, Cash Suppression and ATM Pilfering, and Money laundering.

"We have the ones of ATM card swap. Cash pilfering. Account impersonation. These are always common in the bank." (Participant 5)

“Yes. You also have documentation fraud." (Participant 6)

"First is operational fraud. One is, as I mentioned earlier, enough issue that has to do with password compromise..." (Participant 7)

Its impact can be severe, resulting in financial losses, damaged reputations, legal consequences, and erosion of trust. Detecting fraud promptly and accurately is imperative for preventing or minimising these adverse effects. Findings excavated by this research showed that detecting fraudulent activities helps maintain the credibility and accuracy of financial statements. It is vital for stakeholders who rely on financial information to make informed decisions regarding investments, partnerships, and other engagements. Early detection allows for timely intervention, minimising financial losses resulting from fraudulent activities. The faster fraud is detected, the quicker it is to stop its continuation and recover losses.

"Our risk-based customer profiling is meticulous. We assess high-risk transactions and industries to understand the potential risks. This way, we can tailor our prevention measures accordingly." (Participant 6)

"Technology is our ally. Embracing the latest technology is crucial in minimising fraud. It not only helps us detect fraud but also acts as a deterrent for potential fraudsters." (Participant 2)

Consistent and effective fraud detection measures help uphold the trust and confidence of stakeholders, including shareholders, customers, and employees, in the organisation's operations and financial reporting. Uncovering fraud ensures that the organisation remains compliant with legal and regulatory requirements. The failure to detect and prevent fraud in the bank can result in legal action, penalties, and potential damage to the organisation's reputation. It utilises advanced data analytics tools and forensic accounting techniques to scrutinise large volumes of financial data, looking for patterns, anomalies, or irregularities that could indicate fraudulent activities — encouraging employees, suppliers, or other stakeholders to report potentially fraudulent activities through designated reporting channels, providing a crucial source of information for fraud detection.

6.5.2. Internal Auditing

Internal auditing is fundamental to corporate governance and risk management within organisations. This sub-theme focuses on internal auditing to mitigate fraud in the Nigerian banking industry. This research discovered that internal auditing involves independent and objective evaluations of an organisation's bank operations to enhance control, governance, and compliance processes. Identifying weaknesses, evaluating risks, and recommending improvements are critical to ensure the organisation's success and integrity; this study finds a systematic and disciplined approach to assessing and improving an organisation's processes. In the context of fraud mitigation in the Nigerian banking industry, it holds particular importance due to its susceptibility to diverse types of fraud, including credit fraud, money laundering, Board-related fraud, Management-related fraud, Operational fraud, Document fraud, Cyber fraud, Credit fraud, Cash Suppression and ATM Pilfering and Insider trading. This researcher also discovered that through the audit committee, the internal audits of banks find ways to inform and discourage staff from fraud by using diverse methods.

"Sensitization of staff on fraud, fraud, land practices, and inherent sanctions. So, you are being told you do not do this, do not do this. If you do this, you get this. So, staff are sensitised periodically. We have also measured out a plan and have affected the same. Especially when it comes to mystery shopping." (Participant 10).

Equally, the participants posited that internal auditing helps streamline processes and improve operational efficiency by identifying bottlenecks, redundancies, and areas for process optimisation, reducing operational costs, and enhancing productivity. Auditors assess and improve the effectiveness of internal controls, thereby reducing the risk of fraud.

Another discovery by this researcher exposed the banks' robust internal control system, which acts as a deterrent to and helps in the early detection and prevention of fraudulent activities. Internal auditors actively search for signs of potential fraud during their audits. By employing various techniques, they identify irregularities and recommend appropriate actions to mitigate fraudulent activities. Internal audits must ensure that the bank complies with relevant laws, regulations, and industry standards. This compliance reduces legal risks and helps maintain a good reputation in the market. Even in these tasks, the audit oversees the internal mechanisms and offers ideas to enhance their activities to combat fraud.

"The Audit collaborated with other internal departments, such as compliance and risk management, to enhance my bank's ability to prevent fraud."(Participant 1)

Further, findings showed that internal auditors conduct risk assessments to identify and prioritise areas of considerable risk, including those related to fraud. They use this assessment to develop a comprehensive audit plan, aligning its scope with organisational goals and risks. Internal auditors perform testing and sampling procedures to authenticate that the financial data is accurate and dependable. They examine a subset of transactions and financial records to conclude the larger dataset.

The study found that internal auditors play a crucial role in detecting and preventing fraudulent activities through rigorous risk assessment, evaluation of internal controls, and diligent testing. Despite resource limitations and technological challenges, internal auditing remains an indispensable tool for organisations to mitigate fraud risks, ensuring a more transparent, accountable, and efficient operational environment. Effective internal auditing, supported by adequate resources and technological advancements, contributes significantly to the overall success and sustainability of the Nigerian banking industry.

6.5.3. External Auditing

The participants posited that their committees' responsibility was to recruit external auditing for the examination and validation of the bank's financial statements and supporting documentation by an independent third-party audit firm to provide an unbiased opinion on the accuracy, fairness, and compliance of financial statements with the Global Accepted Accounting Principles (GAAP) or other applicable frameworks. While external auditors primarily focus on expressing an opinion on the fairness of financial statements, their role in fraud detection is also significant. In this procedure, the thesis gathered that they must plan and perform the audit by receiving reasonable assurance about whether the financial statements are free from the abuse of material misstatement due to fraud or error. It involves evaluating internal controls and conducting audit procedures designed to detect fraud.

In performing their duties, this research found that the external auditors must comprehend the entity's environment, including its internal control systems, industry-specific risks, and overall business operations. While understanding potential risk factors helps in tailoring the audit to detect fraud, the auditors would evaluate the design and implementation of internal controls relevant to financial reporting. They evaluate the operating effectiveness of these controls to determine their adequacy in preventing and detecting fraud. The external auditors were seen to utilise analytical procedures to identify unexpected or unusual trends, relationships, or fluctuations in financial data. It shows that these procedures can provide insights into potential areas of concern that require further investigation. After completing audit procedures, this researcher found that auditors evaluate the evidence gathered to form their opinion on the financial statements. Suppose they identify material misstatements due to fraud. In that case, they must communicate these findings to management and, sometimes, regulatory authorities.

However, this study observed that challenges like professional scepticism and evolving evasion tactics necessitate constant adaptation and enhancement of fraud detection methodologies. Effective fraud detection is a collaborative effort involving auditors, management, and stakeholders, ensuring a more transparent and accountable organisational environment.

6.6. Challenges Faced by The Board Audit Committee

During interviews with the directors (members of the audit committees), some difficulties were unveiled, which affected their effectiveness in mitigating fraud in the banks. These challenges include inadequate resources (or resource constraints regarding staff and budget), emerging or new technological advancements, navigating complex regulatory compliance, and managing a global bank with diverse operations. Others are the challenges that bother the legal frameworks, cybersecurity risks, and data privacy, as well as staying ahead of evolving fraud tactics and balancing oversight with maintaining independence from management.

"So, after training most of this stuff, you can have staff trained for over the years, like ten years, eight years, seven years, and they just get to resign and leave the country. Moreover, we do not have an adequate replacement for them now." (Participant 5)

"The key challenge is the ever-changing technological landscape. So, we track fraud incidents, you know, every month, and just a few months in between, we have been talking. Maybe we would have restarted this conversation, like, ten times." (Participant 1)

Overcoming these challenges necessitates initiative-taking measures, continuous education, the strategic use of technology, and advocacy for adequate resources to enable the audit committees to fulfil their critical role within organisations.

6.6.1. Cyber-threats

The theme of cyber threats focuses on organisations' evolving risks in the digital era. This researcher found that cyber threats exist and affect the Nigerian banking industry through malicious activities aimed at compromising information systems, data, and networks, posing risks to the banks' security and integrity. Types of cyber threats identified by respondents includ***e*** malware, phishing, denial-of-service attacks, insider threats, social engineering, and zero-day vulnerabilities; hence, these threats can lead to data breaches, financial losses, operational disruption, and reputational damage., so staff have been cautioned against fraud.

"We constantly sensitise staff to why they should not commit fraud." (Participant 7.

This study further observed that Nigerian banks have diverse ways of mitigating cyber threats, including implementing robust cybersecurity measures, conducting regular training, developing incident response plans, continuous monitoring, and fostering collaboration and information sharing within the industry. This initiative-taking approach is crucial from the interview for banks to safeguard against the ever-changing landscape of cyber threats and maintain data integrity and operational stability.

By acknowledging the varied types and potential impacts of cyber threats in their banks, the directors opined to this researcher that their banks could make informed decisions towards protecting their digital assets and fortifying their resilience against these evolving risks. These ever-advancing nature of cyber threats necessitates constant vigilance, adaptation to new threat vectors, and collaboration with cybersecurity experts and industry peers. Hence, a comprehensive cybersecurity strategy is critical to maintaining trust, security, and operational continuity in this era of increasingly complex cyber threats.

6.6.2. Lack of Advanced Technology

Another finding of this research, which affects the effectiveness of the audit committee of Nigerian banks, includes the need for more advanced technology themes that shed light on the challenges and implications organisations face when adopting innovative technological solutions. The directors admitted that rapid technological advancements have become a critical driver of banks' efficiency, competitiveness, and innovation.

"The key challenge is the ever-changing technological landscape. So, we track like fraud incidents, you know, every month, and just a few months in between, we have been talking, maybe we would have restarted this conversation ten times." (Participant 1)

"... it requires a lot, both in training and effort. That is a very key challenge." (Participant 4)

This study observed that when a bank cannot keep pace due to financial constraints, inadequate awareness, or other limitations, it risks falling behind in productivity, customer experience, and overall growth. Advanced technology automates tasks, streamlines processes, and optimises resource allocation, leading to increased efficiency and productivity within the organisation. Banks utilising innovative technology have a competitive advantage, attracting customers and staying ahead of competitors who may need help to keep up with technological advancements. Advanced technology enables organisational agility, allowing for quick responses to market changes and enhancing customers' confidence in the safety of their assets with the bank.

"So that is also a challenge. The challenge of technology means that they do not have that real physical feel they used to have before now, and again." (Participant 7)

"Improving strategies to tackle evolving fraud methods is crucial. Our investments in AI and machine learning tools help us analyse data for anomalies and potential fraud. This is not just

about technology; it is about maintaining the trust of our customers by staying ahead of fraudsters."(Participant 5)

6.6.3. Lack of Funding/Inadequate Resources

The theme of the lack of funding for audit committees sheds light on the challenges and implications associated with financial constraints faced by these committees. This study discovered that audit members sometimes need more funds to conduct their roles effectively.

"*Sometimes we lack certain resources that are needed to do our work much more effectively..." (Participant 7, Participant 11)*

The participants exposed that adequate funding is fundamental for them (the audit committees) to perform their critical functions effectively, including overseeing financial reporting, evaluating internal controls, and detecting fraudulent activities. Funding is essential for audit committees to function optimally and meet their objectives. It ensures the committee has the necessary resources to conduct audits, invest in training and education, adopt advanced technologies, and address emerging risks.

6.7. Impact of Audit Committees on Fraud Mitigation

There is valid evidence that audit committees of the BODs play a vital role in mitigating fraud within banks by oversight and governance, assessing risks, detecting fraud, promoting ethical behaviour, collaborating with external auditors, and ensuring regulatory compliance. This study discovered that through these efforts, audit committees contribute to a culture of accountability and transparency, reducing the likelihood of fraudulent activities and upholding the integrity of financial reporting and organisational operations. By maintaining an initiative-taking approach to risk assessment and detection, audit committees effectively identify potential red flags and irregularities, which is instrumental in preventing fraudulent activities.

"Usually resort to a knowledge gap ...assist those with limited knowledge and tends to make mistakes that are consequential to the bank is very high. Audit help to reduce such risks" (Participant 7)

We found that their collaboration with external auditors adds an extra layer of assurance, enhancing fraud detection and ensuring the accuracy of financial statements**.** Furthermore, their emphasis on ethical behaviour and compliance with regulations fosters a culture that discourages fraudulent conduct, safeguarding the organisation's reputation and financial stability. The impact of audit committees in fraud mitigation is far-reaching and fundamental in preserving organisational integrity and trust.

6.7.1. Build trust and confidence.

The theme explores the audits' key pivotal responsibility to enhance trust and confidence within an organisation and among its stakeholders**.** It shows that Audit committees in the Nigerian banking industry, as an oversight body, were instrumental in ensuring transparency, reliability, and credibility in financial reporting. This oversight, as observed, has aided in creating trust among investors, depositors, regulators, employees, and the public. The diligent oversight and actions of audit committees significantly build trust and confidence in the organisation.

This thesis discovered that the stakeholders (including investors, depositors, creditors, and the public) must be assured regarding the accuracy and reliability of an organisation's financial health and operational efficiency. Through diligent oversight, audit committees provide this transparency and assurance, thus enhancing trust among stakeholders; hence, compliance with regulatory requirements is critical to building trust among stakeholders.

The participants admitted that audit committees ensure the organisation complies with various laws and regulations. This compliance assures stakeholders that the organisation operates within legal boundaries, reinforcing confidence in its governance and ethical practices, just as the study found that audit committees contribute to a culture of transparency and accountability. By ensuring that the organisation is open about its operations, risks, and compliance efforts, audit committees foster trust among stakeholders. They also ensure transparency in financial reporting and adherence to ethical standards to promote confidence in the bank's operations.

6.7.2. Integrity and Transparency

The theme of "integrity and transparency" highlights the fundamental principles that form the bedrock of ethical conduct within the Nigerian banking industry. Evidence has shown that integrity involves aligning actions with ethical principles and values, while transparency entails openness, accountability, and the transparent disclosure of information. Together, they create a culture of trust, credibility, and responsible governance within an organisation, essential for sustainable success and a positive reputation for stakeholders. There is no doubt that Nigerian banks operate with integrity, gaining credibility and fostering long-term relationships based on trust, creating higher employee morale and increasing productivity and loyalty.

Evidence shows transparency creates trust and confidence among stakeholders by providing accurate, comprehensive, and timely information about the organisation's performance, strategies, and financial health. The study finds that transparent communication between the board/audit committee of the Nigerian banks and stakeholders, especially the shareholders, ensures that they are well informed about the banks' operations and goals, fostering engagement and a sense of involvement.

The participants posited during the gathering of this data that their audit committees implement mechanisms to protect and encourage employees to report unethical behaviour or fraudulent activities without fear of retaliation, which is crucial for maintaining good conduct, integrity, and transparency.

"For instance, there is one branch where a manager always thinks that everything revolves around him and that he does not care about the policies. He tried to pull his staff and then threatened to sack them, and through this platform, he was reported to management, harassed and intimidated staff, and was sacked." (Participant 14)

6.7.3. Prevention of Fraud

The theme: fraud prevention- is a multifaceted approach that emphasises the strategies and measures organisations implement to deter and mitigate fraudulent activities. These measures include good internal controls, ethical culture, risk assessment, regular audits, employee training, promoting a culture of vigilance and reporting, and adopting technological solutions. Evidence of fraud prevention is crucial for preserving financial stability, upholding organisational reputation, and ensuring compliance with legal and regulatory requirements.

"The board of directors, which is our audit wing, shapes the institution's strategy and policies to prevent fraud."(Participant 7)

"Our bank has a zero tolerance for fraud and takes strict actions, including blocklisting staff in the industry and pursuing legal prosecution." (Participant 9)

"The bank conducts internal due diligence when dealing with customer accounts, especially in cases involving death certificates." (Participant 12)

"We place security personnel near ATMs to prevent fraudulent activities like card swapping." (Participant 12)

Findings by this researcher revealed that by fostering a culture of integrity and implementing effective preventive measures, Nigerian banks can mitigate financial losses, enhance credibility, and maintain stakeholder trust.

"We invest significantly in training our staff about fraud prevention and how to identify potential threats." (Participant P3)

"We have integrated advanced technology to safeguard our systems, but technology alone cannot prevent fraud..." (Participant 9)

"We emphasise the importance of educating bank staff on anti-money laundering, cybercrime, and fraud prevention as a preventive measure."

"Management, through internal audit and control, deals with fraud investigations and reports to the board." (Participant 6)

"The bank relies on internal audit and control functions to investigate and manage fraud cases." (Participant 7)

"The person's name is published both in the bank and in some parastatals that manage fraud matters outside the banking sector." (Participant 11)

The data received showed that effective fraud prevention has a substantial impact, including financial safeguarding, preservation of reputation, adherence to legal requirements, and enhancement of stakeholder trust. It underscores the bank's commitment to ethical conduct and responsible business practices, contributing to its long-term success and sustainability.

Summary

The acknowledgement of the increased activities in the oversight/monitoring, training, education, accountability, whistleblowing, improvement of internal mechanisms such as internal controls, risk management, internal audit, having reliable financial records, dutiful external auditors and rapid evolution of technology suggests an understanding of the need to align for continuous adaptation and innovation with advancements in the technological landscape, to mitigate fraud in the banking industry of Nigeria.

However, the critical point here is that the crucial point made in a statement by an independent director (a participant) shows a *strong association between utilising technology and a decline in fraudulent activities.* The speaker mentions a dwindling number of fraud cases occurring over ten years, attributing this reduction to the efficiency of audit processes aided by technology. Technology integration has strengthened the ability of audit processes to identify and prevent fraudulent activities, thus enhancing the security and integrity of the banking sector. The statement concludes by expressing confidence in the existing audit processes. By citing the decline in fraud cases as evidence of the effectiveness of the current audit systems, the speaker implies trust and faith in the capabilities of the established mechanisms. This endorsement underscores the belief that the existing audit processes, particularly those bolstered by technology, successfully detect and mitigate fraudulent activities, further emphasising the importance of aligning with technological advancements to sustain efficiency and security within the banking industry.

CHAPTER SEVEN: CONCLUSION AND RECOMMENDATIONS

Introduction

This chapter discusses the conclusion and recommendations of this thesis's two objectives. It will focus on the significant recommendations that examine the effectiveness of the board of directors and the audit committee members in mitigating fraud in the Nigerian banking industry, respectively. The key findings would summarise the participants' responses towards the mitigation, the study's limitations, future recommendations, and finally, the conclusion.

7.1. Summary of Key Findings

Below are key findings from the interview responses of the Nigerian banking industry participants (board members and audit committee members).

7.1.1. The Board of Directors and Fraud Mitigation (Findings)

These findings from the collected data provide a comprehensive understanding of how participants view their experience and the practice of CG in their banks and the role of the BOD in detecting and preventing fraud while ensuring objectivity and independence during fraud investigations. These could be tied to agency theory as exposed by previous authors in the literature earlier reviewed in this study.

1: Participants varied in their lengths of service, ranging from a few years to over a decade, establishing their experience within the banking industry. They positively evaluated their banks' corporate governance (Pathak PhD et al.), emphasising their commitment to instilling sound CG principles in their dealings with stakeholders. Additionally, they highlighted the hierarchical and centralised nature of CG within their respective banks. This finding aligned with the extant literature (Albitar 2015a; Usman et al. 2022d; Ezeani et al. 2022b; Albitar 2015b) that the larger size of the board can significantly mitigate fraud/earnings management In corporations as it encourages a wider range of diversified experiences that would aid in making and taking encompassed decisions whilst assisting of enhancing effective oversight roles. By these, good governance would be encouraged and entrenched in firms. Additionally, the agency relationship on corporate entities' financial decisions, according to these scholars, postulated that CG compositions are significant determinants of a capital structure that acts as a channel by which CG has effects of adjusting to a certain level of leverage needed by the shareholders as these were ascertained in 1976 by Jensen and Meckling based on the free cash flow of the agency theory in the US and the UK, as examples. In this position, the BODs would reduce cash diversions and free cash flow by opportunist managers by encouraging more debts.

2: Participants described a cordial official relationship between Independent/Non-Executive and Executive Directors in their banks. Non-executive directors were seen as focused on representing shareholder interests and providing transparency, while Executive Directors were more involved in daily operational aspects. The alignment between the prime interests of shareholders and the actions taken by the board, which aim to meet shareholder expectations and maximise profits, was evident. Participants also highlighted the board's role in managing operational risks and investigating fraud incidents, emphasising the importance of accountability and adherence to legal and regulatory frameworks. In this stead, prior scholars (Clark 2015; Adegbite and Amaeshi 2010; Adegbite 2010a) acknowledged varied differences among board members as individual human beings but as benign policymakers who are interested in the progress of the firms, getting experienced people into committees where they are best fitted would produce effective results.

3: Participants stressed the importance of good CG in reducing fraud risks by creating an ethical and transparent organisational culture while identifying internal and external fraud cases, including identity theft and collaboration between internal and external parties. The role of the BOD in providing oversight, encouraging whistleblowing, and supporting fraud investigation efforts was evident. Participants acknowledged that fraud prevention is an ongoing process, and the board's performance was evaluated based on profitability, stability, and meeting targets. Previous writers (Law 2011; Adegbite 2015; Pamungkas et al. 2018) posited that CG was designed to prevent corporate fraud and detect and manage fraud risks, hence risk factors in perspective fraud pentagons that occur in organisations. The authors indicated that risks of fraud could be effectively checked or curtailed if the roles of CG mechanisms in mitigating accounting fraud and the point of view of Pentagon fraud are fully acknowledged and executed in entirety using oversight functions and effectively applying the principles of CG.

4: In response to the fourth question, the findings shed light on the significance of corporate governance in adapting to changes in the environment, regulations, technology, and social behaviour to remain effective in reducing risks, particularly fraud risks. The BODs were crucial in providing oversight and accountability, setting risk appetites, and evaluating the bank's performance. Objectivity and independence of the board during fraud investigations were ensured through the independence of fraud investigation units and their authority to suspend employees pending the outcome of investigations. Participants highlighted the need for risk management to adapt to changing risk patterns and continuously improve risk management processes. Performance evaluation and protecting shareholder interests were also essential, focusing on achieving specific benchmarks. Good corporate governance was a strong deterrent against fraudulent activities, emphasising transparency and accountability in reducing fraud risks. Evidence from scholars (Mutchler 2003; Kassem and Turksen 2021) opined that for good governance to be attained in firms, there are many hiccups that the board through its ACs face, such as challenges and opportunities, rising cases of complex and pervasive technology, dire needs for new skills amongst others. In these identified issues, new strategies and proactiveness are developed to meet these challenges; hence, concepts such as objectivity and independence are imperative for effectively mitigating and managing fraud threats. These concepts are essential in understanding, reducing, and managing fraud threats and other risks associated with fraudulent acts in companies. These skilful concepts of being objective and independent aid in achieving high standard grades and examining issues identified if integrity, competence and due care come into play without bias when making assessments, judgements, and decisions. Based on these, objectivity and independence must be central to any fraud investigation.

5: Participants explored the effectiveness of corporate governance principles, such as whistleblowing and accountability, in banks. Participants highlighted the significance of whistleblowing in promoting transparency and accountability within their banks. They noted that the anonymity of whistleblowing systems encouraged employees to report unethical practices without fear of retaliation. Additionally, accountability was recognised as a crucial component in maintaining transparency and trust, with participants stressing the need for employees to understand the consequences of unethical behaviour. Several positions are held by authors (Ndukwe et al. 2021; ULO; Santoso et al. 2024) who identified the importance of a whistleblowing system in corruption-filled environments such as Nigeria by using empirical evidence on the effect of social responsibility disclosure on real earnings management. Their findings exposed that firms with standardised disclosure can reduce risks of earnings management practices but identified that the assurance variables mitigate and provide false credibility. These make the evidence consistent with two-tier board structures where a single-board/or a one-tier mechanism is a better-quality information provider. Whistleblowing, described as intent or act of disclosure by members of a firm of illegal and immoral activities, could be perpetrated by either the organisation or member(s) of an organisation that may bring about a change. These scholars admitted that the mechanism has been accepted as an important tool to prevent and detect corruption and other illicit acts in the workplace.

6: Participants discussed the role of board committees in overseeing various aspects, including financial transactions, governance, compliance, and fraud prevention. They highlighted the importance of the board's audit committee in recommending measures to uphold corporate governance standards. Additionally, participants noted that the board and regulatory authorities played a significant role in maintaining these standards, ensuring compliance with governance rules, and fostering uniformity in practices. These align with previous studies' advocacies that board and regulatory teams' oversight responsibilities have significant positive impacts in mitigating fraud/earnings management in corporations if good governance is upheld. These authors (Ahmed et al. 2023; Al-Shaer et al. 2022; Hazaea et al. 2023) admitted that firms with CEO duality have their oversight roles limited by agency theory, as was witnessed in the empirical findings on the board governance and audit report lag in the light of the big data adoption. However, some authors admitted that the board plays a significant and legitimate role, which complements the regulatory activities in oversight functions that limit/mitigate fraudulent activities in companies. This combination of the mechanisms of the board and the regulatory authorities aids in strengthening compliance whilst calling on the investors, policymakers and regulatory authorities to review policies to enhance new and current regulations to improve the functions/roles/responsibilities in the Internal auditing of firms.

7: The responses to this question reveal that the collaboration between the Board of Directors (BOD) and the Audit Committee is focused on supporting the bank's ability to prevent fraud. The BOD actively supports the Audit Committee by supplying necessary resources for their functions. Significantly, the BODs refrain from interfering with the Audit Committee's activities and act promptly on the Committee's recommendations. Additionally, the BODs adopt various measures to address emerging trends in fraudulent activities. These measures include establishing an internal control unit and providing resources to support anti-fraud activities. This approach involves deploying resources, such as tools, for the Audit Committee to perform their duties effectively. Based on these, past literary works of scholars (Salem et al. 2021b; Ghazwani et al. 2024; Ezeani and Williams 2017) acknowledged that in the corporate governance framework, the board is the governing body assigned with the role of providing guidance, control and direction for firms and that the ACs are a subset of the board hence their effective combination can assist in fraud mitigation. Whilst examining the impact of CG on anti-corruption disclosure, with special attention to the FTSE 100 through the exploration of the board and audit characteristics, some of these scholarships discovered that gender diversity, audit independence and expertise are positively linked with the quantity and quality of anti-corruption disclosure. However, nothing statistically identified it with other characteristics: board size, role duality and board meetings. Another argued that cooperation through collaboration is a credit that determines the board's effectiveness in effectively executing its oversight responsibility without input from the executive managers; hence, the ACs would act positively in fulfilling their oversight roles by assisting the board in that sphere of activities. Through these collaborations, the BODs and the ACs aid in protecting shareholders' funds-invested funds against fraud by managers, which is an agency problem.

8: Participants offered their projections for fraud mitigation in the banking sector within the next five years, along with the skills they believe are necessary to enhance the Board of Directors' (BOD) effectiveness in combating fraud. The projections indicate that mobile and electronic fraud will rise significantly in the coming years. To combat these emerging trends, cybersecurity awareness, audit experience, risk audit experience, and expertise in electronic banking are considered essential. These skills are critical to addressing the increasingly sophisticated nature of fraud in the banking sector. The responses also highlight the importance of good corporate governance in mitigating fraud, sharing best practices, and ensuring compliance with standardised banking procedures. Furthermore, they emphasise the role of regulatory actions and customer education in building trust and transparency within the industry. Previous authors (Al-Alawi and Al-Bassam 2020; Bhasin 2016a; Al-Sartawi 2020) opined that the issue of security breaches is common but costly; hence, the board must be confident in her role in tackling cyber and other IT-related crimes against their establishments.

A key finding indicated that a significant and direct link exists between information technology governance and the cybersecurity level at corporations. This indicates the urgent need to appoint individuals with IT knowledge, understanding and experience to boards for better decisions when faced with IT/Cyber related issues/threats/challenges. Equally, this skill would be important in their communication with the Heads of their IT department and hence can challenge their actions. The skills- expertise, and experience will also aid in detecting and preventing fraud in their banks, and a larger board with expertise in IT issues will bring higher IT skills and make it easier for the board to curb emerging IT challenges. These are important because the banking industry's dependence on online products and services to their customers and affiliates is prime.

9: Participants identified the key challenges faced by the Board of Directors (BOD) in mitigating fraud risk and potential solutions to overcome these challenges. These challenges include technological issues, such as the need for a national database, ICT infrastructure problems, and skill shortages due to brain drain. To address these challenges, participants suggest needing a national database, improved technology infrastructure, and training programs to develop skilled personnel. Retaining talent and ensuring staff motivation is crucial. Participants emphasised the significance of reputation and accountability as deterrents against fraud. Additionally, regulatory and governance challenges were identified, with a recommendation for more frequent meetings and stakeholder engagement to improve the regulatory environment. Effective communication and information sharing within the board and between banks were considered essential, as cooperation among industry players is seen to address challenges. There is evidence from prior studies (Hoppmann et al. 2019) that the limited light on board-internal challenges and dynamics in difficult times exposes insights into the conditions boards may contribute to a firm's inertia. This author argued that environmental and strategic changes could affect boards' ability to effectively judge strategic issues and use self-evaluations and self-reconfiguration to reinvigorate this ability. They posited that compared with the managers, the board members as a team also have internal antecedents to renewal. Factors can counter the boards' interest and hence experience a conflict of interests like the managers. The conflicts of interest could harm the prospects/performances of the business, which could be tied to contributing to the agency theory and emerging as micro-perspectives on boards, thereby making BODs a source of organisational inertia. These scholars, however, have challenged these existing findings on the board members from the strategic management field. Another paper (Aguiar Filho et al. 2022) argued that the board's key challenge is implementing the corporate governance framework.

10: Participants recommend strengthening corporate governance by emphasising the importance of having skilled and knowledgeable individuals on the board and in leadership positions with integrity and ethical values, advocating stricter implementation of existing regulatory frameworks, creating a national database for enhanced identification and tracking, ensuring a well-balanced board with diverse skills and ethical conduct, enhancing whistleblowing mechanisms, addressing economic factors that influence fraud, focusing on continuous improvement, especially in the realms of cybersecurity and emerging technology trends, replicating best corporate governance practices, implementing merit-based promotion systems, and promoting stakeholder engagement and transparency in the governance process. These recommendations aim to improve corporate governance while projecting more robust fraud mitigation in the next five years. However, some past studies (Bhasin 2016c) suggested that improving CG would aid the board members in achieving their fiduciary roles to the shareholders, and this could be done if the enhancement and responsibilities of the Independent directors are done. They would provide the basis for the foundations of good governance where all interests – shareholders, board, management, legal counsel, the government, professional advisors, external and internal auditors, regulators, etc. Another position adjudged that shareholders should have a greater say in their yearly AGMs regarding their firms' operations (Proimos 2005). Another position (Rose 2010) contended that the provisions of CG that covered proxy access and the separation of rules of the CEO and the Chairman of the BODs could have some effects. The provision could enhance the powers of the shareholders without justifications as a risk management device, or it may work at cross-purposes to risk management intents. It could also result in better oversight of the management, hence preventing any forthcoming crises. Alternatively, it could have minor effects on the shareholder's behaviour or risk management. However, it could be seen as an overresponse to the issue representing shareholders' concern about agency costs.

7.1.2. Audit Committee and Fraud Mitigation (Findings)

1: The participants' responses showed diverse experience as an audit committee member. Evidence from past studies (DeZoort 1998) made comparisons to show if experience affects Audit Committee members' oversight judgement. The results showed that members with more experience made better internal control judgments than those without experience. That auxiliary result posited that members are noted for better and more consistent judgement, with higher self-insight, consensus, and technical content levels than those with lower experiences. (Komal et al. 2023) argued in their findings that female postgraduate auditors are more effective in mitigating earnings management than their male counterparts.

2: Participants in the study provided insights into several types of banking fraud encountered during audits, highlighting internal fraud, external fraud, board-related fraud, management-related fraud, operational fraud, document fraud, cyber fraud, credit fraud, and cash suppression/ATM pilfering. These fraud types encompass a wide range of fraudulent activities within the banking sector, from internal staff exploiting their positions to external fraudsters manipulating ATM transactions and customers compromising their private bank details. These findings emphasise the multifaceted nature of fraud in banking and the need for comprehensive prevention and detection measures. Extant authors (Podkolzina et al. 2019; Sanusi et al. 2015; Salem et al. 2021a) exposed a variety of frauds in banking institutions. Varied fraud schemes in the banks include phishing, fake sales, online fraud, earnings management, and selling bitcoins. They identified the main incentives fraudsters get from their criminality against banks as monetary gains. These criminals originate internally— the employees or externally— the contractors, suppliers, lawyers, and customers, amongst other things. Hence, fragile institutions are becoming susceptible to fraud daily as fraudsters become more versatile, devising and designing their modus operandi to circumvent the instituted controls in the banks. potentially, fraud affects depositors/customers, investors, the staff, the banks' image, and the economy. On banks' branches, the level of fraud is deemed high, even by their management. Empirical results showed that most bank fraud cases occur in the branches.

3: The analysis of participants' responses revealed that the presence of audits significantly contributes to detecting and preventing fraud in banks. Audits serve as a deterrent for potential fraudsters by creating an environment of accountability and scrutiny. Auditors play a crucial role in uncovering irregularities, real-time detection of fraud or irregular activities, enhancing efficiency through process improvements and reporting their findings for prompt corrective actions. Furthermore, audits help identify process weaknesses that can be exploited for fraudulent activities and serve as psychological deterrents, as staff knows that auditors will scrutinise their actions. Audits also facilitate collaboration with staff, reporting, consequence management, and board involvement when necessary to ensure a robust anti-fraud framework. These findings underscore the initiative-taking role of audits in safeguarding a bank's assets and reputation by detecting and preventing fraudulent activities. Past literature deduced that the audit committee is an integral part of the board of directors. Auditing contributes to better governance, helps to enhance regulations, and helps to mitigate fraud practices within creative accounting. The presence of the audit in a bank not only contributes to debate and orderliness in an institution but also confirms the existence and the reality that fraud exists in an organisation such as a banks (Olayinka 2019). ACs have a positive relationship between the quality of financial reporting and regular meetings. The Audit’s interest in financial reporting stemmed from the fact that financial reports are the report cards of banks which act as a prospectus to give information to guide the decisions of the investors/shareholders and other stakeholders. It is also used as a barometer for assessing management stewardship. It hence acts as the first source of independent information that explains the activities of the managers in a year. The integrity and the effectiveness of the audit and the board lie in the credibility, validity and reliability of the financial report; hence, the full application of good governance/good CG is described as the most veritable tool to achieve that goal (Dabor and Dabor 2015; Omotoye et al. 2021).

4: The audit ensures objectivity and independence in fraud investigations through several vital mechanisms. Participants emphasised the importance of objectivity and independence as fundamental principles in auditing, highlighting the need for auditors to be unbiased and focused on facts. They mentioned standardised audit procedures that remove personal feelings and maintain objectivity. Reporting lines and structures ensure auditors report to independent units, minimising interference from other parts of the organisation. External reviews help safeguard independence, and ongoing professional training ensures auditors are well-equipped. Personal discipline and accountability were also crucial for maintaining objectivity, as audit reports may be used in legal proceedings, emphasising the need for transparent and defensible findings. The existent literature adduced that maintaining objectivity and independence could guarantee quality assurance that provides protection of the depositors' funds and that of the investors (ILOKWASI 2018), whilst another scholar identified two types of independence by using auditors’ sustainable independence as a variable. These are based on the rules and conventions of the profession, which makes it imperative that the management should not influence an auditor, and, secondly, that intellectual independence should be accepted as an intellectual which should be separated as the auditor's character and thinking (Hamdallah et al. 2022)

5: Participants provided examples of fraud cases in the bank, including operational fraud like travel and expense claim falsification, cash pilfering, credit fraud, and suspense account abuse. Impersonation and identity theft were also highlighted as common fraud types, involving staff impersonating clients and business email compromise scams. Foreign exchange and credit fraud were briefly mentioned, and uncommon fraud types included fraud in deceased customer accounts. Participants also noted that terrorism financing and drug trafficking-related money laundering were rare due to their complex nature. The role of the audit in identifying and mitigating fraud involves investigation and root cause analysis, compliance, and policy gap identification, suggesting better controls, real-time monitoring of transactions and activities, and reporting to management. Auditors focus on management levels, especially senior managers. Challenges for auditors include maintaining independence and avoiding undue influence from senior management. Certain previous studies attempted to define fraud as one person's behaviour whose intention is to gain a dishonest advantage over another, hence leading to denial of service, illegitimate use, disclosure of information, and repudiation- these are attacks seen on e-banking platforms, which could lead to social engineering and phishing. Other remote attacks include vishing, cloned-voice banking, and fake emails, amongst others (Abu-Shanab and Matalqa 2015). Other types of fraud by the management, insiders (employees), outsiders, and outsiders and insiders (a collaboration between the two) involve earnings management through falsification and manipulations of financial records by the directors, general managers, managing directors and managers against the investors and creditors; employee fraud involves the acceptance of bribes, diversion of profitable transactions, falsification of financial records, embezzlement, intentional concealment of data and events, signature forgeries, cash pilfering, opening and operation of fictitious accounts, suppression of cash and cheques, among others; Fraud by outsiders include advance fee fraud, forged cheques, cheque cloning, account opening fraud, loan fraud, clearing fraud, among others; the outsider/insider fraud is the collaboration of the two to in defrauding banks and they are involved in the provision and exchange of information (Olatunji et al. 2014)

6: The strategies employed by the Audit to minimise the risk of fraudulent behaviour in the bank include continuous education and awareness on ethical conduct, comprehensive training and skill enhancement, maintaining independence and objectivity, consequence management and accountability, continuous review and adaptation, transparency and regulatory compliance, zero tolerance for fraudsters, cross-departmental collaboration, embracing technological advancements, promoting ethical conduct through whistleblowing and KYC, risk-based customer profiling, measuring and benchmarking effectiveness, proactive measures and whistleblowing, staff monitoring and lifestyle checks, continuous sensitisation and training, identifying red flags and conducting risk assessments, enhancing technology and processes, preventing asset stripping and obsolete declarations, money laundering detection and reporting, authorisation controls, and corporate governance and oversight. These multifaceted strategies collectively form a comprehensive approach to minimising fraudulent behaviour in banking operations. Extant scholars (Bentley et al. 2013) posited that audits need to improve to reduce financial reporting irregularities and help mitigate fraud; hence, these are key areas to improve audit practice. Another writer (Okolie and Izedonmi 2014) added that in order to enhance the quality of auditing and reduce earnings manipulations in Nigeria, the regulatory agencies should create authoritative standards and frameworks to enhance audit quality; firms should improve their earning quality through sales growth, apply cost control and cut costs. Other scholars posited that new ways to detect, reduce and prevent fraud should be engineered but concluded that forensic accounting services offer Nigerian banks the leeway with the necessary tools to deter fraudsters (Enofe et al. 2015; Onodi et al. 2015)

7: The Audit collaborates with other internal departments, such as compliance and risk management, by fostering internal collaboration, conducting training and knowledge sharing, addressing training gaps, strengthening control systems, focusing on reputation protection, and adopting a collaborative approach to fraud prevention strategies. Collaboration enhances the bank's ability to prevent fraud by bridging gaps in understanding, strengthening control systems, and maintaining the bank's reputation. Auditors collaborate with risk management and compliance departments while maintaining their independence to understand risk and control measures better and work together effectively to prevent fraud. Extant studies (DeZoort et al. 2002) posited a need to communicate with the audit committee on varied challenges or issues, including fraud detection and other illicit acts involving accounting issues.

8: Regarding the findings, they suggest that the audit department employs an initiative-taking approach through informed decision-making, continuous training, collaboration with other units, a risk-based approach, and technological advancements. This adaptability, combined with control and prevention measures, helps enhance the bank's ability to combat fraud while maintaining customer trust. Past literature deduced that audit oversight functions are strengthened through their characteristics, size, composition, and activity, as audits are the central players that mitigate fraud in firms. This is because they play a pivotal role in enhancing the reliability and transparency of financial records (Bhasin 2016c)

9: Participants focused on skills relevant to Audit Committees' effectiveness in combating fraud, revealing the importance of a diverse skill set, analytical skills, comprehensive banking knowledge, diligence, knowledge of regulations and policies, understanding of bank-specific processes, and additional essential skills, including independence, investigative abilities, transparent reporting, and continuous learning. These skills collectively contribute to the integrity and security of the financial institution. Previous studies argued that accounting-related skills are vital for auditing purposes for any auditor. More so, women are more versed in social issues, hence bringing new skills into the boardrooms (Alwadani et al. 2024)

10: The findings from respondents regarding the critical challenges faced by the Audit Committee in mitigating fraud risk indicate several significant issues. These challenges include staffing difficulties due to staff resignations, emigration, and slow acquisition of skills to replace experienced staff. The rapid evolution of technology presents another obstacle, requiring continuous training and skills enhancement for auditors. Resource constraints, including financial support, access to information, and client cooperation, further hinder the committee's efforts. Cultural challenges arise from disagreements with audit findings and the potential for auditors to make errors in judgment. Knowledge gaps and the need for ongoing training are also recognised as issues. Participants pointed to the importance of organisational responses to audit recommendations, the role of whistleblowing, and organisational optimism in addressing these challenges. However, extant literature advised that audit committees should be freed from repetitions, time-consuming tasks that negatively distract their focus on key auditing jobs (Ahmed et al. 2023)

7.2 Limitation

All research has limitations; hence, this research is similar. Evidence has shown that this research has made varied contributions. However, this researcher encountered diverse limitations. One elemental restrictive weakness is the insufficiency in summarising the level of population of interest. This could stem from low-quality work in qualitative research, leading to false findings. Evidence has proven that qualitative survey questionnaires are not designed to target general summaries of the wider population. They are for specifics (Crimson & Leontowitsch, 2016). This researcher met challenges in planning and executing this survey questionnaire data gathering as well as the semi-structured interviews with the directors of banks in Nigeria. The literature review for this study was extensive, covering broad areas; hence, manual search of databases was strenuous, with a long duration to assess, and sometimes, it took much work to search for some needed articles.

The dearth of literature on the topic covering the developing nations or Sub-Saharan zone posed serious issues to locate as the few found were mostly Western-oriented literature that captured corporate governance with Western influence, bearings, and in the same environmental settings.

The effects of COVID-19 still reverberate as it limited the researcher's access; hence, we must concentrate online for this thesis. It also limited access to a sizeable number of participants for the survey questionnaire and the semi-structured interviews.

Also, the position of the directors aiding this project came into view regarding the nature of banking secrecy on information to avoid reputational damage. This consideration elicited mixed feelings from this researcher about how cooperative the bank directors would be in accepting the participation. Their disapproval of being interviewed would have severe consequences for this study as it could be linked to fear of exposing some banking operations, leading to reputational damage. The issue of fraud in banking is a complex one; hence, the directors were cautious to stay away from the interview invitations or cautious to discuss it. Banking is a closely-knit institution that deals with money; hence, secrecy and extreme caution are their watchwords.

The issue of trusting the data collected and its reliability emerged. Still, the scrutinisation process adopted ensured that the data collected were dependable and could be trusted, especially knowing the calibre and focus/direction they were received from (the directors of different banks in Nigeria). Also, since this does not involve a numerical stance because of the qualitative approach adopted, it becomes easy to reduce checks on reliability and trustworthiness, even though some sensitivity measures were considered before gathering the data.

An admissible limitation was observed. Due to the safety situation, the physical conduct of this research inside the Nigerian banks was denied; hence, the online plan B was activated in the United Kingdom. This would have provided direct contact to capture findings. Closely tied is that the independent directors do not officially sit in offices in the banks but converge during their periodic board/audit meetings when scheduled. However, online platforms provided alternatives for the conduct of survey questionnaires and the semi-structured interviews that generated data used.

Another limitation was the sizeable number of responses received by this researcher for the interviews. About one hundred directors of the banks in Nigeria were contacted, and interview documents were sent. In some cases, the questions were sent ahead for their perusal upon request. However, about 14 board and 15 audit committee members favourably responded and were interviewed. Most interviewed participants chose late at night or early morning hours (between 12 am and 4 am) due to their busy schedules. The researcher accommodated their choices of date, time, and virtual platform (Google Meet, Zoom, or Microsoft Teams). All responses were anonymously replied to and received.

7.3. Future Recommendation

Based on the preceding, there should be an overwhelming reform in Nigeria's banking industry and the corporate governance codes/framework adopted to identify, re-adjust, or eliminate areas of concern that aid the existence of fraud in Nigerian banks. This nipping in the bud is vital for the industry's survival and, by extension, the Nigerian economy that heavily depends on her thriving banks. This should also apply to financial and institutional set-ups that leverage the banks. There is no gainsaying that mitigating fraud in the Nigerian banking industry is a multi-tasking project that requires multi-faceted methods with a robust strategy to be leveraged to progress against fraudulent activities that are endemic or entrenched against past solutions/recommendations.

(A) For future research, there are several key recommendations that **the board of directors** (BODs) of the Nigerian banks should consider enhancing, such as their responsibilities on oversight, fraud mitigation, governance, ethics, accountability, and transparency:

1. *Continuous Technological Advancements*:

The board of directors must invest in state-of-the-art technologies such as machine learning, artificial intelligence, and blockchain to enhance fraud detection and prevention. These technologies can provide real-time insights and predictive analytics, enabling initiative-taking responses to potential threats.

2. *Strengthened Regulatory Frameworks:*

Efforts must be made to collaborate with regulatory bodies to continuously update and strengthen the regulatory frameworks in response to evolving fraud techniques and risks. Regular dialogues between industry stakeholders and regulators can help identify gaps and formulate effective regulatory measures.

3. *Enhanced Training and Awareness:*

The BODs must regularly conduct specialised training programs to educate employees about emerging fraud risks, cybersecurity threats, and evolving compliance requirements. Awareness campaigns can also be extended to customers to educate them about potential scams and how to protect themselves.

4. Ethical Leadership and Culture:

It is the responsibility of the Board to instil ethical leadership at all levels of the organisation to set a strong tone from the top while promoting a culture of ethics and integrity, emphasising the importance of compliance with both the letter and spirit of the law, regulations, and organisational policies.

5. Regular Internal and External Audits:

The board should conduct routine internal and external audits to assess the effectiveness of internal controls, compliance with regulatory requirements, and adherence to organisational policies. Address any identified weaknesses promptly to fortify the system against potential fraud.

6*. Data Privacy and Security:*

Prioritise data privacy and security by implementing robust measures to safeguard sensitive customer and organisational data. Regularly update security protocols, conduct vulnerability assessments, and educate employees on data protection best practices.

7. *Enhanced Customer Education:*

Educate customers about safe banking practices, typical fraud schemes, and ways to protect their personal information. Provide accessible resources and guidelines to customers to ensure they remain vigilant against potential scams.

8. *Sustainable Reporting Mechanisms:*

Establish sustainable and accessible reporting mechanisms, encouraging stakeholders, including employees and customers, to report suspicious activities and ethical concerns. Ensure prompt action on reported issues to demonstrate the organisation's commitment to a secure and ethical environment.

(B) However, recognising that the audit committee is a subset of the BODs, some specific recommendations that enhance their effectiveness in mitigating fraud within the Nigerian banking industry are apportioned. These are to ensure a robust control environment and sustained stakeholder trust in areas relating to oversight/monitoring roles of the banks' financial operations, including the financial records, internal controls, risk management, internal audit, and recruitment of external auditors, amongst others. The following recommendations are adduced as key to aid their performance:

1. *Continuous Professional Development for Committee Members:*

The present ongoing education and training programs for audit committee members to keep them updated with evolving fraud schemes, technological advancements, and regulatory changes; hence, workshops, seminars, and certifications should be encouraged to enhance their fraud detection and prevention skills.

2. Utilize Advanced Analytical Tools and AI:

The audit committee should incorporate advanced data analytics and artificial intelligence (AI) tools in their processes. These technologies can significantly enhance fraud detection capabilities by analysing large volumes of data for patterns indicative of fraudulent activities. These modern machines that learn algorithms can adapt and evolve to stay ahead of sophisticated fraud schemes.

3. Strengthen Collaboration with Law Enforcement and Regulatory Bodies:

The audit member should foster stronger relationships and collaboration with law enforcement agencies and regulatory bodies as they should timely share information related to fraud incidents, which can aid investigations and provide valuable insights for preventing similar future occurrences; hence, dialogues and initiatives should be established to enhance fraud prevention efforts.

4. Implement/enhance Whistleblower Protection Mechanisms:

The audit committee should establish a robust and anonymous reporting system that protects whistleblowers from retaliation whilst encouraging all stakeholders to report suspected fraudulent activities. This will create/add a layer of vigilance and enable timely investigation and intervention.

5. Enhanced Focus on Cybersecurity Measures:

Given the rising cyber threats and prioritising investments and efforts in strengthening cybersecurity measures, the audit committee should always collaborate with IT teams to implement innovative security protocols, regular security audits, and employee training on cybersecurity best practices to mitigate cyber-related fraud risks.

6. Regular Comprehensive Fraud Risk Assessments:

The audit members of the board must conduct regular and thorough fraud risk assessments to identify emerging risks and vulnerabilities specific to the Nigerian banking industry by tailoring prevention and detection strategies based on the identified risks to enhance preparedness and resilience against evolving fraudulent activities.

7. Encourage a Culture of Transparency and Ethical Behaviour:

Regularly promoting and nurturing a culture of transparency, integrity, and ethical conduct within the organisation will establish clear guidelines on ethical behaviour by encouraging employees at all levels to keep to these standards. Increased reward must be ensured to encourage ethical behaviour, while unethical conduct should be met with appropriate disciplinary action.

8. Periodic Review and Update of Policies and Procedures:

The audit committee must regularly review existing policies, procedures, and internal controls related to fraud prevention. This ensures that documents and policies are up-to-date and aligned with the latest industry regulations and emerging fraud threats; a revision should address any gaps or weaknesses identified during the review process.

9. Advocate for Sufficient Resources and Funding:

Audit members must engage with senior management and relevant stakeholders to advocate for adequate resources and funding for the audit committee. Sufficient resources are critical for effective fraud detection and prevention, and securing appropriate funding is essential to maintain the committee's capabilities.

10. Strengthen Independence and Accountability:

The board must make concerted efforts to reinforce the independence of audit committees by ensuring that members are truly independent and free from conflicts of interest. Additionally, it will enhance their accountability by setting clear performance metrics and regular assessments to evaluate their effectiveness in mitigating fraud and achieving organisational objectives.

This research argues that incorporating these recommendations into the operational framework of the Nigerian banking industry will further fortify the audit committees' effectiveness in mitigating fraud, safeguarding its reputation, and bolstering stakeholders' confidence in the industry.

The Conclusion

In finality, this study concludes by arguing that preventing fraud is a vital endeavour for Nigerian banks, involving a combination of initiative-taking strategies and practices; more so, the human will be dedicated to mitigating it. These encompass cultivating an ethical culture, establishing strong internal controls, conducting regular risk assessments, utilising advanced technologies, and encouraging vigilant reporting. The significant outcomes of effective fraud prevention in the Nigerian banking industry include financial protection, preservation of reputation, compliance with legal standards, and the cultivation of stakeholder trust. Fraud prevention is rooted in banks' dedication to ethical conduct and responsible operations, contributing to its enduring success and resilience in a dynamic business landscape.

The discussions and explanations above shed light on various critical aspects of fraud mitigation, governance, ethics, accountability, and transparency within the Nigerian banking industry. Synthesising the insights shared, this thesis can draw a comprehensive conclusion about the multifaceted nature of these elements and their interplay in creating a robust and responsible banking environment. In conclusion, the Nigerian banking industry faces a multifaceted challenge to mitigate fraud, maintain ethical conduct, ensure compliance with regulatory standards, and foster a culture of transparency and accountability. The insights from the discussions reveal key components crucial in addressing these challenges and creating a resilient banking environment. A durable foundation of corporate governance, characterised by well-defined structures, policies, and ethical values, is vital. Transparent governance structures guide behaviour, promote integrity, and help deter fraud while fostering an ethical culture that ensures that individuals across all organisational levels adhere to shared values, contributing to a trustworthy environment. Investing in training and awareness programs ensures that employees are well-informed about fraud prevention, compliance requirements, and evolving risks. Education equips individuals to recognise potential threats and take appropriate actions. Training should be ongoing and comprehensive to keep pace with the dynamic nature of fraud. Leveraging emergent technology, particularly data analytics and AI, is critical for the timely detection and prevention of fraud. Automated monitoring systems can swiftly identify suspicious patterns and transactions, enhancing the ability to respond effectively. Incorporating advanced technology strengthens internal controls and minimises risks associated with manual processes. Building a culture of accountability and transparency instils confidence in stakeholders. Clear accountability measures and transparent reporting mechanisms ensure that all individuals adhere to the same ambitious standards regardless of their position. Transparent financial reporting is paramount to maintaining trust and credibility.

Examining the effectiveness of audit committees in mitigating fraud in the Nigerian banking industry reveals their vital role in promoting financial transparency, accountability, and maintaining stakeholder trust. Audit committees are a critical component of corporate governance, acting as watchdogs to ensure compliance with regulatory frameworks, ethical standards, and effective risk management. Through diligent oversight, risk assessment, and collaboration with internal and external auditors, they contribute to identifying, preventing, and addressing fraudulent activities.

One of the primary themes observed is the critical role of oversight and monitoring. Audit committees provide independent oversight, ensuring financial reporting and compliance with legal and regulatory requirements. This oversight is crucial in detecting irregularities or fraudulent activities within financial statements, instilling confidence among stakeholders and investors. Risk assessment emerges as another prominent theme. Audit committees evaluate and manage risks, including fraud-related ones. Their thorough risk assessments enable the development and implementation of robust strategies to mitigate these risks effectively. This initiative-taking approach contributes to fraud prevention and encourages a culture of risk awareness within the organisation.

Effective collaboration with both internal and external auditors is also a vital sub-theme. As part of the organisation, internal auditors conduct routine audits, providing valuable insights into operational processes and potential risk areas. External auditors, on the other hand, bring an independent perspective, validating the accuracy of financial statements. The constructive interaction between these audit components enhances fraud detection and prevention mechanisms. Moreover, practices employed by audit committees, such as regular training and capacity building, are essential elements. Keeping committee members updated with the latest fraud detection techniques, regulatory changes, and industry best practices equips them to combat fraud effectively. Additionally, encouraging a culture of integrity and transparency within the organisation is crucial. This theme highlights the significance of instilling ethical behaviour and promoting open communication, creating an environment less conducive to fraudulent activities.

Challenges faced by audit committees, particularly insufficient resources and potential lack of funding, pose constraints. Insufficient resources hinder their ability to conduct thorough audits, impacting the depth and frequency of fraud detection. Adequate funding is necessary to enhance audit capabilities and ensure optimal fraud prevention strategies. In summary, audit committees in the Nigerian banking industry significantly contribute to mitigating fraud by fostering a culture of transparency, conducting rigorous oversight, and collaborating effectively with auditors. They serve as a critical linchpin in maintaining the integrity of financial systems and play a pivotal role in upholding stakeholder trust and confidence in the Nigerian banking sector. Addressing the identified challenges and continuously evolving to align with best practices will further fortify their effectiveness in fraud mitigation.

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APPENDIX

APPENDIX 1: THE CASE STUDY RESEARCH QUESTIONNAIRE

Table i: List of organisations and the nature of their businesses and data collection sources

Code of the organisation	Nature of business	Sources of data	Anticipated number of interviewees
Nigerian Banks	Banking	Semi-structured Interviews	15 to 40 participants

Table ii: Introduction (Personality) profile

S/N	Questions	Related Questions
a.	What is your assigned responsibility?	i) Job title ii) Length of service
b.	What is your role in mitigating fraud in your bank?	i) What is your level of authority?

<u>1a. Questions for Objective One</u>

THE BOARD OF DIRECTORS (Corporate Governance Mechanism) in the Nigerian Banking Industry.

*(***Semi-Structured Interview Template)***

INTERVIEW QUESTIONS ON THE BOARD OF DIRECTORS (BOD)/CORPORATE GOVERNANCE IN THE NIGERIAN BANKING INDUSTRY (for BOD)	
1.	What is your length of service, and what is the corporate governance of your bank?
2.	What is the existing relationship between your bank's directors in mitigating fraud?

3.	How has the presence of the BODs contributed to detecting and preventing fraud in your bank?
4.	How do BODs ensure objectivity and independence during a potential fraud investigation in your bank?
5.	How effectively have the BODs used Whistleblowing, Accountability and Transparency to reduce fraud in your bank?
6.	What challenges affect the interbank relationship in combating fraud in the Nigerian environment?
7.	What approach did the BODs adopt to tackle emerging trends in fraudulent activities?
8.	What skills do you consider necessary to enhance the BOD's effectiveness in combating fraud in your bank?
9.	What are the key challenges the BODs face in mitigating fraud risk, and how do they overcome these challenges?
10.	Finally, what recommendations would you advocate for strengthening CG in your bank?

1b. Questions for the Objective Two

THE AUDIT COMMITTEE in the Nigerian Banking Industry

(Semi-Structured Interview Template)

1.	How long have you served as your bank's Audit Committee (AC) member?
2.	As an Audit member, what kind of fraud have you encountered in your bank?
3.	How has the presence of the Audit contributed to detecting and preventing fraud in your bank?

4.	How does Audit ensure objectivity and independence during a potential fraud investigation in your bank?
5.	Provide examples of fraud cases in your bank and the Audit's role in identifying and mitigating this fraud.
6.	What strategies/measures do the Audit employ to minimise the risk of fraudulent behaviour in your bank?
7.	How has the Audit collaborated with other internal departments, such as compliance and risk management, to enhance your bank's ability to prevent fraud?
8.	How does the Audit adapt its approach to tackling emerging trends in fraudulent activities in your bank?
9.	What skills are relevant for the Audit Committees' effectiveness in combating fraud in your bank
10.	What are the key challenges the Audit Committee faces in mitigating fraud risk?

APPENDIX 2: INTERVIEW DOCUMENTS FOR PARTICIPANTS.

2a. Covering Letter.

Dear Sir/Madam,

Greetings, and I hope my email finds you well this day.

I am Kenneth Egejuru, a final year Research student at Salford Business School, University of Salford, Manchester, United Kingdom.

Following our earlier discussion, I attached documents relating to my study's interview. I would appreciate it if you could choose any date and time suitable for you to be interviewed from Wednesday 14th to the end of June 2023. Also, kindly consider choosing from any of these video conferencing platforms—Google Meet, Microsoft Teams, or Zoom—to represent your choice of the virtual venue. It is hoped that this meeting will be within an hour's time limit.

Most importantly, I humbly appreciate your acceptance to be interviewed, even on fleeting (transient) notice.

Thank you.

Yours faithfully,

~~*KCEgejuru11/06/2023.*~~

Kenneth Egejuru (BA, Dip.J, PGDM, MBA, MA)

+447436594170.

ADDENDUM:

Also, this interviewer has decided to cover the communication data of the interviewees for the duration of this interview. To enable this interviewer to complete this data procurement process, my participants must indicate their phone number and network (MTN, Glo, or Airtel) as they choose their interview dates, times, and venues.

Again, thank you.

Kenneth.

2b. The Required Research Participant's Informed Consent Package.

Dear Participant,

I am Kenneth Egejuru, a final year research student at the Salford Business School, University of Salford, Manchester, United Kingdom. My study topic is The Role of Corporate Governance Mechanism in Mitigating Fraud: A Case Study of the Nigerian Banking Industry.

I wish to assure you that data collected from you for this project shall be treated with strict confidence and under anonymity subject to the UK General Data Protection Act 1998, with its attendant upshots, which are as follows:

1. Your decision to participate voluntarily is yours; hence, you are under no prejudice to participate.
2. Your identity and signature shall remain and be specifically seen and accepted as the only proof of reading the consent statement below and shall not be diverted for any other use by this researcher or any authority.
3. Your status of being anonymous will be applied unless otherwise agreed, and you will not be exposed to any third party unless upon our agreement.
4. The data you provided will only be used for the specific purposes it is designed for and as conveyed to you.
5. All data provided by you and other participants are secured in any format, such as 'hard' or 'soft' copies. The information you provided will be returned to you for correction or an outright endorsement to confirm the accuracy of the data received or transcript for this research.
6. before the final destruction of the data you provided, its analysis will always be available upon request.
7. This researcher can always be contacted anytime if you object or ask further questions for clarification on issues concerning this research.
8. You can withdraw your consent using the Consent Withdrawal Form.

I appreciate your interest in participating in this work, sir/madam.

Yours faithfully,

~~KCEgejuru01/06/2023.~~

Kenneth. C. Egejuru (BA, Dip.J, PGDM, MBA, MA)

Salford Business School, University of Salford,

Salford, Greater Manchester. M5 4WT. United Kingdom.

+447436594170. K.C.Egejuru@edu.salford.ac.uk

2c. The Research Participant Information Sheet

Dear Participant,

I am Kenneth Egejuru, a final-year Research student at the Salford Business School, University of Salford, Manchester, United Kingdom. It is an honour to invite you to participate in this research.

Recognition as a Participant

Your participation is based on this researcher's selection of you as someone of repute to be interviewed for collating data for this study; hence, no offer is made to anyone to participate. By your acceptance, you have indicated that participating is purely of your own volition.

Purpose of participation in the study:

The essence of your participation is to receive your views on The Role of Corporate Governance Mechanism in Mitigating Fraud: A Case Study on the Nigerian Banking Industry.

Mode of Participation:

For face-to-face interview data collection, your participation will be between an hour and a half (maximum) on one of the following virtual meeting platforms: Microsoft Teams or Zoom.

Risk in Participation:

There is no known risk whatsoever for any participant involved in this study.

Anonymity:

Your anonymity is assured, and no data will be used to identify any interviewee, as all data collected will be kept on file after the research. However, only on optional grounds would names and emails be kept for contact purposes, either for review of the interview or final approval to the researcher to use it. However, after the study, all data will be non-identified. This implies that there will be perpetual removal/deletion of identifying information. Protection of all data collected is guaranteed with a password, as their storage would be electronic, whilst print materials will be kept in my office under a locked storage facility at the University.

Withdrawal from the Study:

However, this work will remain the same since participation or withdrawal is voluntary.

Thank you.

~~*KCEgejuru01/06/2023.*~~

Kenneth. C. Egejuru (BA, Dip.J, PGDM, MBA, MA)

Salford Business School, University of Salford,

Salford, Greater Manchester. M5 4WT. United Kingdom.

+447436594170. K.C.Egejuru@edu.salford.ac.uk

2d. Invitation / Importance

Dear Sir/Madam,

My name is Kenneth Egejuru. I am a final-year research student at the Salford Business School, University of Salford, Manchester, United Kingdom.

I invite you to be one of my interviewees to help generate raw (primary) data for my qualitative exploration of The Role of Corporate Governance Mechanism in Mitigating Fraud: A Case Study of the Nigerian Banking Industry.

Please be assured that the information you provide will be confidentially managed, treated, and safeguarded as dictated under the University of Salford Ethical Policy, which incorporates the UK General Data Protection Act 1998.

Sir/Madam, this research instrument (semi-structured interview questions) is designed to provide the understanding, knowledge, subsequent guides, and solutions to policymakers, the designated implementors, as well as other expediters of decisions within the banking industry and sectors in finance, all stakeholders, the government, and her crime fighters.

Furthermore, it is hoped that this study will assist in strengthening the reformation and the entrenchment of the corporate governance framework toward mitigating fraud in opaque-structure banks. However, if you decline before, on, or after the interview, it is your inalienable right, as I plead, that you sign and send the Withdrawal Form to me.

However, if you desire to receive further information, have queries regarding your interview contribution, or are willing to discuss the issues it addresses, kindly contact me through the address and phone number below, as your response would be appreciated.

I appreciate your interest in participating in this work.

~~*KCEgejuru01/06/2023.*~~

Kenneth. C. Egejuru (BA, Dip.J, PGDM, MBA, MA)

Salford Business School, University of Salford,

Salford, Greater Manchester. M5 4WT. United Kingdom.

+447436594170. K.C.Egejuru@edu.salford.ac.uk

2e. The Research Participant Letter

Dear Participant,

Thank you for showing interest in this research. Please read this information sheet prudently before appending your approval to participate.

I am Kenneth Egejuru, a final-year research student at the Salford Business School, University of Salford, Manchester, United Kingdom. My study topic is The Role of Corporate Governance Mechanism in Mitigating Fraud: A Case Study of the Nigerian Banking Industry.

Presently, I am in the research phase of data collection, expecting to interview you as one of the selected respondents.

If you agree to contribute, we will have a preliminary discussion of the interview and its associated duration, mode, platform, and date at a suitable time for you.

I will treasure your participation in this research.

Thank you.

~~*KCEgejuru01/06/2023.*~~

Kenneth. C. Egejuru (BA, Dip.J, PGDM, MBA, MA)

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Salford, Greater Manchester. M5 4WT. United Kingdom.

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2f. The Research Consent Withdrawal Form

At this moment, I am withdrawing my participatory consent to contribute to the research mentioned above. By signing below, I agree that the information I gave to the researcher should not be used for the purposes that it was destined for; hence, I cancel my participation.

Print Name: ....

Signature: ....

Date: ---

*Please, kindly forward the above Consent Form or Consent Withdrawal Form to the below-named person:

Thank you.

~~*KCEgejuru01/06/2023.*~~

Kenneth. C. Egejuru (BA, Dip.J, PGDM, MBA, MA
Salford Business School, University of Salford,
Salford, Greater Manchester. M5 4WT. United Kingdom.
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2g. The Research Informed Consent Form

I have read and understood that I voluntarily decided to participate in the abovementioned project. By signing below, I agree that the researcher will use the information I will provide for the purpose for which it was designed.

Print Name: ....

Signature: ....

Date: ....

* Please, kindly forward the above Consent Form or Consent Withdrawal Form to the below-named person:

Thank you.

~~*KCEgejuru01/06/2023.*~~

Kenneth. C. Egejuru (BA, Dip.J, PGDM, MBA, MA)
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