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FRAUD CONTROL AND FRAUD PREVENTION IN NIGERIA BANKING INDUSTRY

(A Study of selected Banks in Nigeria)

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Abstract

The study focus on fraud control and fraud prevention in selected Nigerian commercial banks in Nigeria. The methodology used in this study was purely based on primary data, which were obtained from distribution of one hundred and fifty (150) copies of questionnaire to selected respondents. This data were then analyzed using statistical tools such as; Ordinary least square, Durbin Watson and P-value in Eviews, *which were also used for the interpretation of the hypotheses in this study. The result of the analysis shows that there was significant relationship between fraud control and fraud prevention because their proxies considered in the study such as; Management control, internal audit, and whistle blowing showed a P-values of 0.0004 and 0.0001, which were lower than the 5% critical value specified in Eviews for this analysis. Based on this result, the study concludes and recommends among others things, that Management policies must be able to strengthen both fraud control and fraud prevention of commercial banks based on the sample study since the proxies of both variables have significant effect on each other.*

1. Introduction

Fraud is a global occurrence; it is not peculiar to only banking industry, this is because the collapse of foremost international corporations like Enron (in the United States of America), collapse of NITEL, Nigeria airways, and some distressed bank in Nigeria such as Savannah bank, Africa International Bank (AIB) were all product of fraud. Also, the recent financial mismanagement in Nigeria banking sector which made the Central Bank to inject 620 Billion naira tax payers fund and take over some commercial banks (known as troubled banks) namely Oceanic Bank Plc, Fin Bank Plc, Afri bank Plc, Bank PHB, Spring Bank and Intercontinental Bank can also be traced to fraud. The occurrence of the fraudulent practices in the most commercial bank in Nigeria have negatively affected the mindset of most shareholders and investors, and may take a long time before it can be corrected, Obafemi,(2016). Frauds and corruption usually result in huge financial losses to banks and may affect the confidence of most investors and shareholders, infact, the frequent occurrence of frauds could, in extreme cases, could lead to the closure of some banks, which was the case of most of the closed commercial banks in Nigeria.

Furthermore, fraud and corruption in today's banks certainly constitutes one of the most serious threats to the practices and spread of bank in Nigeria. It has assumed such an alarming proportion that there is no visible sign that the tread will be reversed. In legal terms, fraud is seen as the act of depriving a person of something, which such a person would or might be entitled to, it can also be seen as an act of trickery which is intentionally practiced in order to gain illegitimate advantage. Therefore, for any action to constitute fraud there must be deceitful objective to benefit (on the part of the perpetrator) at the disadvantage of another person or group. Fraud typically requires stealing and manipulation of accounts, frequently accompanied by cover up of the theft. It also involves the translation of the stolen resources or property into own resources or property.

2. Statement of the Problem.

Fraud in Nigeria Banking System is growing at an alarming rate, mainly because the major perpetrators are internal staff and some corrupt members of the top management, this fact was also supported by the studies of Nwaze (2009), Okpara (2009), CBN report(1995) who emphatically stated that no fraud will be successful without the input of management employees. Therefore, the problem of this study is to consider why, the most trusted member of the management staff, are often the brains behind fraud committed in most financial institution.

Furthermore, existing researchers such as Ola(2001),Izedonmi (2000) has amplified the fact, that fraud prevention can be completely prevented and controlled by the management of most commercial banks in Nigeria. But this research work has identified this fact, to be seriously controversial, because some researcher such as: Nwaze,(2009), Okpara(2009), CBN Report

(1995) stated in the above paragraph have emphasized that the main culprit of fraud in most banking organization are top management staff and other internal staffs. It is against this backdrop that this research paper attempt to examine the fraud control and prevention in commercial banks in Nigeria with of aim of determining why management have been unable to grapple with the issue of fraud in most commercial Banks.

3. Objective of the Study

The main objective of the study is to determine how fraud control and fraud prevention effects the performance of commercial banks in Nigeria while the specific objectives are;

i. to examine if management control have contributed to the breakdown in the internal audit systems of the selected commercial banks.

ii. to determine if Management control have effect on Whistle blowing in the selected commercial banks.

4. Research Questions

i. Does management control contribute to the breakdown in the internal audit system of the selected commercial banks?

ii. Can management control have effect on the Whistle blowing in the selected commercial banks?

5. Research Hypotheses

Ho_1 Management control do not contribute to the breakdown in the internal audit system of the selected commercial banks.

Ho_2 Management control does not have effect on Whistle-blowing in the selected commercial banks.

6. Significance of the Study

The study is significant because it will serve as an eye opener to investor and shareholders, by exposing the various type of fraud practiced in the banking environment. It will also help investors and shareholders to be careful when deciding on investing in commercial banks.
This research work will also provide Empirical information that will serve as safeguard from fraud for foreign and local investors.

7. Methodology

The study methodology of the is based on survey research design, which involves distribution of 150 questionnaire to five (5) commercial banks quoted in Nigeria stock exchange. This banks include Access Bank Plc, Diamond bank Plc, Fidelity Bank Plc, First Bank Plc, and First City Monument Bank Plc. The data obtained from the question were then subjected to

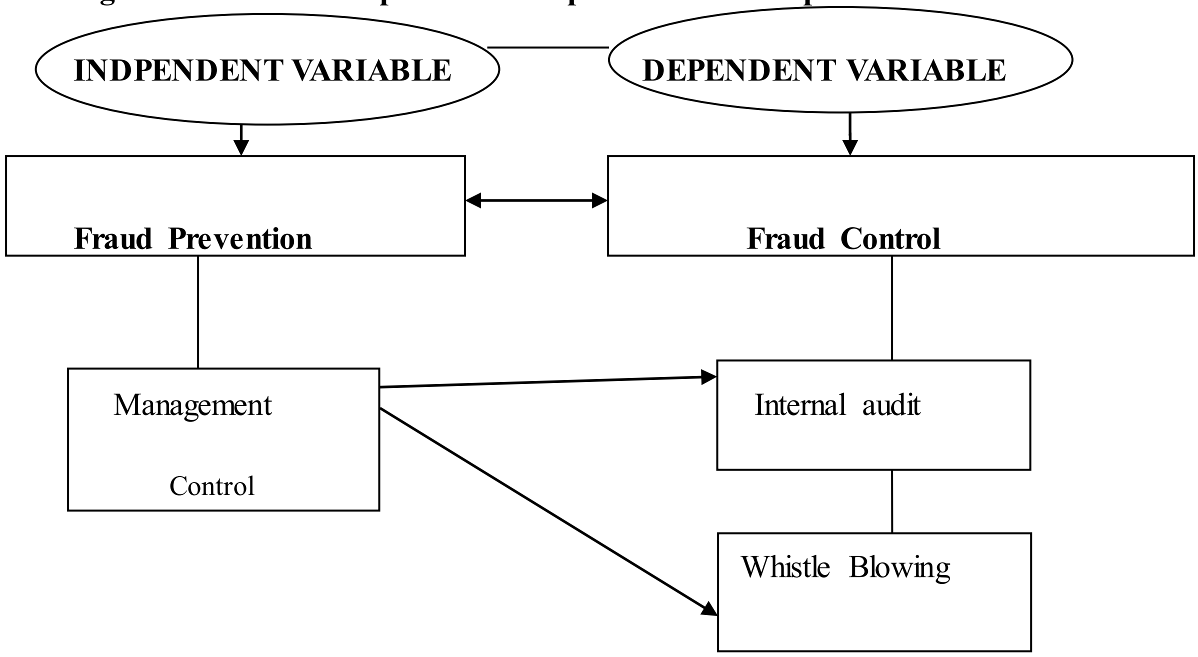
Statistical Test Such as Ordinary least square, Durbin Watson, and T and F statistical test in Eviews 7. Furthermore, these quoted banks were selected using purposive sampling techniques.

8. Literature Review.

9. Conceptual Framework

- Conceptual framework diagram

Figure 1. Relationship between Dependent and Independent Variable



Source: Diagram Conceptualised from the Literature review. (2016)

10. Origin of Fraud

It is very difficult to trace the origin of fraud however, in the case of fraud perpetration, Adewole, (1990), opines that any minor mistakes by an individual which is not detected in time or at all makes such an individual to think that the success of such mistakes may be taken advantage of and may proceed to enact more mistakes, this time, deliberately so as to test the system's check and balance. He stresses that where a deliberate mistake is made and is successful, the individual takes benefit of it for selfish end. He refers to this behaviour as fraud, since it is now a deliberate action aimed at dishonestly enriching the individual. The next logical step for such an individual is definitely to continue with such errors until he eventually graduates to a hardened fraudster. It can therefore be deduced that the genesis of fraud is traceable to the committal of minor, undetected mistakes, which are consequently capitalized upon by individual intending to defraud. (Adewole, 1990).

11. Concept of Fraud.

Oxford Advanced Learner's Dictionary of Current English defines fraud as °a criminal deception According to Udok (1992) fraud is concerned with the activities of those who seek to divert to their pockets the fruits of others. handwork. In general, fraud could be said to mean any activity that amounts to unfair dealing. In legal parlance, fraud has been defined as the act of depriving a person dishonestly of something which is or of something to which he is or would or might be entitled but for the perpetration of fraud. Therefore, bank fraud includes theft embezzlement or any attempt to steal or misuse or harm the assets of a bank or a customer. Olufipe(1994) defined fraud as Deceit or trickery deliberately practiced in order to gain some advantage dishonestly. Alashi, (1994): Fraud means an act of dishonesty, deceit and imposture According to Kirkpatrick (1985), a person who pretends to be something that he is not is a fraud, a snare, deceptive, trick, cheat and a swindler. By extension fraud in the bank will include embezzlement, theft or any attempt to steal or unlawfully obtain, misuse or harm the assets of the bank. It is very difficult to trace the origin of fraud. However, in the case of fraud perpetration, Adewole (2002) opines that any minor mistake by an individual which is not detected in time or at all makes such an individual to think that the success of such mistakes may be an advantage and may proceed to enact more mistakes; this time, deliberately so as to test the system's check and balances. He stressed that where a deliberate mistake is made and is successful, the individual takes benefit of it for selfish end. He refers to this behaviour as fraud, since it is now a deliberate act aimed at dishonestly enriching the individual. The next logical step for such an individual is definitely to continue with such errors until he eventually graduates to a fraudster. It can therefore be deduced that the genesis of fraud is traceable to the committing of minor, undetected mistakes, which are consequently capitalized upon by individuals intending to defraud.

12. Types of Fraud

As naturally expected, fraud is perpetrated in many forms and guises, and usually have insiders (staff) and outsiders conniving together to successfully implement the act. The following types which are not in any way completely exhaustive are the most common types of bank frauds in Nigeria identified by Ovuakporie (1994).

- Theft and Embezzlement

This is a form of fraud which involves the unlawful collection of monetary items such as cash, travellers cheque and foreign currencies. It could also involve the deceitful collection of bank assets such as motor vehicles, computers, stationeries, equipments, and different types of electronics owned by the bank.

- Defalcation

This involves the embezzlement of money that is held in trust by bankers on behalf of their customers. Defalcation of customers deposits either by conversion or fraudulent alteration of deposit vouchers by either the bank teller or customer is a common form of bank fraud. Where the bank teller and customer collude to defalcate, such fraud is usually neatly perpetrated and takes longer time to uncover. They can only easily be discovered during reconciliation of customers. bank account. Other forms of defalcation involves colluding with a customer's agent when he/she pays into the customer's account and when tellers steal some notes from the money which are billed to be paid to unsuspecting customers/clients.

- Forgeries:

Forgeries involve the fraudulent copying and use of customer's signature to draw huge amounts of money from the customer's account without prior consent of the customer. Such forgeries may be targeted at savings accounts, deposit accounts, current accounts or transfer instruments such as drafts. Experience has shown that most of such forgeries are perpetrated by internal staff or by outsiders who act in collusion with employees of the bank who usually are the ones who release the specimen signatures being forged (Onibudo, 2007).

13. Concept of Banks

Afolabi (1994), defined banks as intermediaries/institutions collecting savings of people who have more money than they immediately require and lending such money to people who require more money than they can immediately generate thus matching the saving requirements of depositors with investment requirements of borrowers. Doyle (1991), defined a banker as anybody carrying on the business of banking. In Roe's legal charge (1982),this scope was widened when it was held in 1974 that an institution was deemed to be a bank even though it had no business premises of its own but provided service as the counter of another bank

14. Concept of Management Control

- Management Control Systems (MCS)

A management control systems (MCS) is a formal or informal system which gathers and uses information to evaluate the performance of different organizational resources like human, physical, financial and also the organization as a whole considering the organizational strategies (adapted from Otley, 1994). MCS influences the behaviour of organizational resources to implement organizational strategies (Anthony, 2007). However, Management control systems are the formal, information-based routines and procedures managers use to maintain or alter patterns in organizational activities (Simons, 1995) While Horngren et al. (2005), sees MCS is an integrated technique for collecting and using information to motivate employee behaviour and to evaluate performance. MCS are not only used as control devices that monitor activities to ensure that organisational goals are achieved, but plays a role in maintaining or altering patterns of organisational activity (Langfield-Smith, 1997).

15. Definition of Internal Audit

Millichamp (2000) defines internal auditing as an independent appraisal of the function within an organisation with the aim of reviewing the system of control and enhancing the quality of service performance in the organisation.

Similarly, Unegbu and Obi(2012) defined internal auditing as the procedure put in place by management of an organisation to ensure strict adherence to stipulated work instructions and assist the management in effective running of the organisation's administration, control cost, and ensure maximum utilization of capacity and benefit available for the organisation.

16. Concept of whistle blowing

According to Transparency International (2016) report, whistle blowing is defined a follows;

i. the disclosure or reporting of wrongdoing, including but not limited to corruption; criminal offences; breaches of legal obligation; miscarriages of justice; specific dangers to public health, safety or the environment; abuse of authority; unauthorised use of public funds or property; gross waste or mismanagement; conflict of interest; and acts to cover up of any of these.

ii. Whistle blowing – the disclosure of information related to corrupt, illegal, fraudulent or hazardous activities being committed in or by public or private sector organisations1 – which are of concern to or threaten the public interest – to individuals or entities believed to be able to effect action. Transparency international (2016)

Futhermore, according to their report, a whistle blower is any public- or private sector employee or worker who discloses information, which make him at risk of retribution. This includes individuals who are outside the traditional employee employer relationship, such as consultants, contractors, trainees/interns, volunteers, student workers, temporary workers and former employees

17. Theoretical Framework.

- **Stakeholder's Theory**

According to Fredman (2004) stakeholder theory emphasises that some individual or group are very important for the survival of the organisation. This explanation is seen as organisation oriented explanation, but in an earlier research freeman reported that stakeholder theory refers to any group or individual who can affect or who are likely to be affected by the achievement of the organisation objective. Friedman (2009) supported these explanation of Freeman (1984) because according to him, his definition of the stakeholders theory was more balance and covers a wider area than those of Stanford Research Institute (SRI) (1963) who defined the theory as simply as those people who, without their support and ideas the organisation would not exist. He further stated that freeman definition was wider because it included individuals outside the firm and other groups that may consider themselves to be stakeholders of the organisation without the firm acknowledging them to be so. The stakeholder in most organisations usually includes shareholders, employees, customers, lenders, suppliers, local charities, various interest group and government.

- **Stewardship Theory**

According to many scholars the popular agency theory is known to have evolved from Economics while the Stewardship theory can also be said to have developed from psychology and sociology. The Stewardship theory can also be said to be a product of the seminar work done by Donaldson and Davis (1989), this seminar work emphasised that the senior executive should act as steward of the organisation and that everything is done in the best interest of the principal. This explanation of stewardship theory put forward by Donaldson and Davis (1989) established that most managers have the tendency to act in the best interest of their firm, by emphasizing the collective goal of the organisation instead of their self serving option. Their finding further suggests that most stewards are motivated only by making the right decision which are usually in the best interest of the organisation, because of the strong assumption that stewards will also benefit from the right decision taken in the long run.

18. Empirical Framework

- **Fraud in Akintola Williams Deliotte and Cadbury Nigeria Plc.**

According to Salaudeen, Ibikunle and Chima,(2015), the fraud in Cadbury was detected in June 2006, when the Securities and Exchange Commission (SEC), received a copy of Cadbury's annual reports and accounts for 2005 and after reviewing the report, the Commission wrote back to Cadbury expressing their dismay on the decline in the company's profitability, worsening leverage ratio, deteriorating cash flow, inadequate disclosure, non-compliance with Corporate Governance Codes and obtaining loans for dividends contrary to SEC regulations. In November 2006, the board of Cadbury Nigeria PLC notified the world, which include the Commission, its stockholders and other regulatory bodies of the discovery of "Overstatements" in her accounts, which according to it, has spanned many years. It quickly appointed Price Water House Coopers (PWC), an independent accounting firm to investigate the "Overstatements" in the company's financial statements for the period 2003 to 30th September, 2006.

Furthermore, the external auditors of the company, Akintola Williams Deliotte (AWD) had been the external auditors of the company for over 40 years. Hence the Administrative Proceedings Commission (APC) invited AWD, including the Registrars for appearance to explain the reasons for violating the provisions of the Securities and Investment Act 1999, SEC Rules and Regulations, Code of Corporate Governance in Nigeria and other regulations of capital market operators in Nigeria. The finding of SEC reveals amongst others that:

- the company's managing director had since 2002, connived with the Board to use stock buy backs, cost deferrals trade loading and false stock certificates to manipulate its financial report.
- AWD, one of the leading and most experienced accounting firms in the country were external auditors to the company for over 40 years.
- ₦13.255 billion was the accumulated overstatement from year 2002 to September 30, 2006 and that AWD were the external auditors of the company for those years and also carried out an interim audit for the period ended September 30, 2006.
- A balance of #7.7 billion was credited to the company's account in 2005 without confirmation of the bank balances from any of the banks. AWD failed to make any note in the 2005 audited account that it did

not receive confirmations from any of the banks for the balances recorded against such banks. Professional skepticism requires that the materiality of the amount is significant enough to have put AWD on enquiry.
- AWD sent management letters on the company's 2001-2005 accounts, yet they failed or refused to note the lapses in the accounts when no satisfactory response was given by the company's management.
- while carrying out its job as Reporting Accountants in the Rights issue of #5 billion irredeemable loan stock, AWD reviewed the accounts and forecast and thereafter, it filed with the commission a memorandum of profit forecast that was unrealistic:
- Though auditors normally rely on documents presented to them by clients to do their work however they are required to probe further when put on enquiry as shown by the stock certificate of #700 million allegedly issued by JOF Limited but disclaimed in writing by the alleged issuer which was large enough to make AWD seek further confirmation but it did not.
- Professional skepticism generally requires that an auditor should not believe documents presented by a client till it sees evidence that they are genuine. In the company's case, AWD did not probe further or doubt documents presented by the company in spite of the internal control lapses detected and revealed in its management letters.
- Lots of evidence revealed that AWD, particularly the partners that handled the company's account did not carry out their assignment with high level of professionalism and diligence expected of a reputable accounting firm of its caliber.

19. ANNUAL REPORT OF CARDBURY PLC (2006), SHOWING THE OVERSTATEMENNT OF PROFIT

Group Five Year Financial Summary

	2006 N'000	2005 N'000	2004 N'000	2003 N'000	2002 N'000
BALANCE SHEET					
Fixed assets	**14,949,698**	7,964,695	6,230,817	3,759,882	3,337,240
Net current (liabilities)/assets	**(9,381,861)**	9,835,537	4,315,669	5,078,485	4,033,405
Creditors: Amounts falling due after more than one year	**(3,381,042)**	(6,932,062)	(1,086,759)	(595,278)	(505,244)
	2,186,795	10,868,170	9,459,727	8,243,089	6,865,401
Share capital	**550,420**	500,420	500,420	375,315	375,315
Capital reserve	**7,230,891**	2,523,383	2,534,669	2,534,669	2,551,807
Reserve for bonus issue	**-**	-	-	125,105	-
Capital revaluation reserve	**5,947,229**	11,286	-	-	-
General reserve	**(11,547,419)**	7,813,680	6,411,470	5,198,766	3,932,450
Minority interest	**5,674**	19,402	13,168	9,234	5,829
	2,186,795	10,868,170	9,459,727	8,243,089	6,865,401
TURNOVER, PROFIT AND APPROPRIATIONS					
Turnover	**19,215,152**	29,454,185	22,152,651	20,576,177	16,014,709
(Loss)/ profit on ordinary activities before taxation	**(5,762,809)**	3,853,094	3,849,273	3,792,506	3,259,866
Tax on ordinary activities	**1,097,350**	(1,142,173)	(1,036,650)	(1,107,579)	(1,010,788)
(Loss)/profit on ordinary activities Aftertaxation	**(4,665,459)**	2,710,921	2,812,623	2,684,927	2,249,078
Minority interests	**292**	(6,434)	(3,934)	(3,493)	241
Dividends	**-**	(1,303,154)	(1,601,345)	(1,313,603)	(1,125,946)
Retained for the year	**(4,665,167)**	1,401,333	1,207,344	1,367,831	1,123,373
PER SHARE DATA (KOBO)					
Basic earnings per share (kobo)	**(428)**	270	281	357	300
Adjusted earnings per share (kobo)	**(424)**	246	255	244	204
Dividend per share (kobo)	**-**	130	160	175	150
Dividend cover (times)	**-**	2	2	2	2
Net assets per share	**201**	1,086	945	1,098	915

Earnings and Dividend per share are based on issued and fully paid capital at 31 December 2006.

20. Model Specification

21. Model Specification for Regression Analysis

The model specification used in this study is based on the description of the relationship between the dependent and independent variables of this research work.

$Y = f(X)$ --(1)

Where Y = Dependent Variable represented by Fraud control

Also $Y= f(Y_1, Y_2)$

Where Y_1= Represents Internal audit

$Y2$= Represents Whistle blowing

X = Independent Variable represented by Fraud Prevention

Also $X = f(X_1,)$

Where X_1 = Management control

The multiple linear regression model for this study is defined as:

$Y= \beta_0 + \beta_1 x_1 + e$ --- (2)

Here, Y = the dependent variable which was represented by Fraud Control and proxied by internal audit and whistle blowing.

β_0 represents the intercept or constant while β_1, is the regression parameters/ coefficient of regression.

X= independent variable which was represented by the Fraud Prevention of the selected quoted commercial banks and was proxied by Management control.

e = error term.

22. Data Analysis and Interpretation

Decision Rule: Accept Null hypothesis if the P-Value obtained using Eviews is greater than 0.05 which is the alpha level of significance specified in Eviews for this analysis. But, if, otherwise, reject it and accept the Alternate Hypothesis, accept the F-statistic and T-statistic values if the F-statistic and T statistic computed using Eviews are greater than F- distribution table and T-distribution table, but if otherwise reject, also the decision rule for the R- squared states that we accept the result of R-squared if the value obtained is greater than 50% but if otherwise reject, finally the decision rule for the Durbin Watson states that accept the result of the duirbin Watson if the value obtain is lesser than two(2) otherwise reject it

- **Data Presentation**

Table 1. Rate of Respondents

	Frequency	Valid Percent	Cumulative Percent
Valid Returned	110	73.3	73.3
Unreturned	40	26.7	100.0
Total	150	100	
Missing	40		
Total	150		

Source: Field Survey, 2017

The above tables shows that One hundred and fifty(150) copies of the questionnaire were printed and distributed, but only One hundred and ten (110) were returned, while the remaining, were either missing or Unreturned, The missing and unreturned ones amounted to forty(40). The reasons for the unreturned and missing questionnaires includes the following.

1. Some respondents misplaced the questionnaires given to them.
2. Some respondents filled the questions wrongly, majorly becausethey did not read them carefully before answering them, therefore, the researcher had to cancel them and give them another one.
3. Few respondents ticked two answers for a question and this was recorded as void or missing to avoid incorrect interpretation.

23. Hypothesis Testing

Ho1: Management control do not contribute to the breakdown in the internal audit system of commercial banks

Dependent Variable: Internal Audit system
Method: Least Squares
Date: 07/22/16 Time: 12:08
Sample (adjusted): 150
Included observations: 110

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	29.10552	0.493069	59.02925	0.0000
Management Control	0.000847	0.000148	5.724119	0.0004

R-squared	0.803756	Mean dependent var	31.88000
Adjusted R-squared	0.779225	S.D. dependent var	0.608824
S.E. of regression	0.286066	Akaike info criterion	0.511669
Sum squared resid	0.654671	Schwarz criterion	0.572186
Log likelihood	-0.558345	Hannan-Quinn criter.	0.445282
F-statistic	32.76554	Durbin-Watson stat	1.484211
Prob(F-statistic)	0.000442		

The above statistics show that the R- squared value is 80% (i.e.0.803756%) this means that Internal audit has direct influence on the explanatory variable or independent variable Management control, which is because the independent variable (i.e. internal audit) account for 80% of the dependent variable, while the remaining 20% can be accounted for, by other exogenous factor outside this model. This also means that model has good representation of its data. The result of the R- squared was also in agreement with the result obtained by the F-statistic and T-statistic results, which shows that the F-statistic and T-statistic computed using Eview (i.e.32.76554 & 5.724119 respectively) were higher than the F-statisitic an T-statistic value obtained using F- table distribution and T- table distribution at degree of freedom of 20 (i.e. 4.35 and 1.725 respectively). Furthermore the statistic also established that the result of the Durbin Watson show a value of 1.484211 which implies that there is no problem of auto correlation which also mean that both Management control and internal audit have strong positive influence on each other. Therefore, the Null hypothesis will be rejected while the alternate hypothesis will accepted.

Hypothesis Two

Ho_2: Management control does not have effect on the Whistle blowing in most commercial banks.

Dependent Variable: Whistle blowing
Method: Least Squares
Date: 07/22/16 Time: 01:10
Sample : 150
Included observations: 110

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	31.65460	0.232813	135.9655	0.0000
Management Control	0.029958	0.019661	1.823744	0.0001

R-squared	0.884941	Mean dependent var	31.88000
Adjusted R-squared	0.128059	S.D. dependent var	0.608824
S.E. of regression	0.568506	Akaike info criterion	1.885248
Sum squared resid	2.585597	Schwarz criterion	1.945765
Log likelihood	-7.426241	Hannan-Quinn criter.	1.818861
F-statistic	5.321795	Durbin-Watson stat	0.812344
Prob(F-statistic)	0.000117		

The above statistic shows the R-square value is 88%(i.e.0.884941) and this implies that Management control has strong relationship with whistle blowing in the selected commercial banks, this because the Independent variable accounts for over 88% of the dependent (Whistle blowing). This was also established by the result of the F-statistic and T-statistics which showed that F-statistic and T-statistic computed using Eviews (i.e.5.321795 and 1.823744) were higher than the F-statistic and t-statistic value obtained from the F- distribution table and T- distribution table with degree of freedom of 20 (i.e. 4.35 and 1.725 respectively). Also the Durbin Watson statistic (i.e. 0.812344) shows that value obtained was lesser than two, and this implies that there is no problem of auto correlation in the variables being considered in this hypothesis, which also lends credence to the fact that Management control has direct influence on the whistle blowing of the selected quoted companies.

24. Discussion of findings

The findings of the study shows that management control has significant relationship with internal audit and this was because the result of the P-valure(0.0004) obtained using Ordinary Least Square was lower than that the critical value of 5% specified in Eviews for this analysis. The findings also establishes that there is significant relationship between management control and Whistle blowing of the selected University, which was confirm by the above statistical analysis which shows that the result of the P-value (0.0001)obtained was lower than that the critical value of 5% specified in Eviews for this analysis.

25. Conclusion

Base on the Literature review and Empirical findings of this study, the following conclusion have been advanced

1. Strategies designed by most of the management of most of the banks are not sufficient enough to eliminate occurrence of fraud in the commercial banks
2. For management control to be effective in eliminating fraud, effort must be made by the management to review the control and safeguards regularly.
3. Fraud that involves collusion among bank's staff are the most difficult type of fraud and must be fought by all available means and strategies.
4. Internal control can only be effective an efficient in combating fraud in commercial banks if it is fully supported by management of the commercial banks
5. Whistle blowing is a strong tool that can be used in reducing fraud in commercial banks, but must have a support of management.

26. Recommendation

Based on the Conclusion above and the empirical findings of this research work, the study recommends the following;

1. For whistle blowing to be efficient the management of commercial banks should delegate staff members known for their integrity to conduct this function.
2. Management control must reflect the changes going on in the organization from time to time, so that cases of fraud can be significantly minimized
3. Fraud caused by collusion can be minimized by ensuring that no staff member perform more than one primary function, especially does involving use of password.
4. Government and Banks should consider creating an avenue to discuss issues relating to bank fraud so as to be able to reduce the frequent occurrence of fraud.
5. Internal staffs that are caught in any fraudulent act should be given strong punishment which can serve as a deterrent to others staff members.

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APPENDIX A

SECTION A

DEMOGRAPHIC CHARACTERISTICS

1) Age- 18-24 ☐ 25-34 ☐ 35- 44 ☐ 45-54 ☐ 55-64 ☐

2) Educational Qualification: School Cert ☐ OND/ NCE ☐ M.sc/Phd ☐

B.Sc/Hnd ☐ Others professional ☐

3) Gender- Male ☐ Female ☐

4) Marital Status - Single ☐ Married ☐ Divorced ☐ Separated ☐

5) Working Experience: 1-3yrs ☐ 4-6yrs ☐ 7-10yrs ☐

SECTION B

INSTRUCTION: Please tick (□) your opinion in the columns provided. **"SD"** is Strongly Disagree; **"D"** is Disagree; **"U"** is Undecided; **"A"** is Agreed; **"SA"** is Strongly Agree.

S/N		SD	D	U	A	SA
1.	Management control do not contribute to the breakdown in the internal audit system					
2.	Management control does not have effect on the internal control in most commercial banks.					
3.	Whistle blowing does not have strong influence on management control.					
4.	Whistle blowing is only efficient when it done by someone in the organization who has been officially delegated to do so.					
5.	Most fraud in Nigeria banks are usually perpetrated by internal staff rather than external staff.					
6.	Fraud in Nigeria banks, involving collusion among members of staffs are the most difficult to detect.					
7.	Management staff members of most commercial banks usually have a part to play in most cases of fraud in commercial banks in Nigeria.					

8.	The confidence of Most investors and shareholder in the banking sector have been seriously affected.					
9.	Government policy and Banks control measures have not been able to significantly reduce fraud					
10.	Persistent fraud in the banking sector is one of the reason why it is difficult for us to attract international trade.					