ANUK COLLEGE OF PRIVATE SECTOR
Accounting Journal

VOL. 2 NO. 3 OCTOBER, 2025

A Publication of College of Private Sector Accounting
ANAN University Kwall, Plateau State, Nigeria.

Published October, 2025.

Web Address: https://www.anukpsaj.com, Email: anukpsaj@gmail.com

Printed by:
MUSSAB Printers,
NB, 9 Muri road by gwari road, Kaduna State, Nigeria.
Phone contact: 07038776658,
Email: meetsuleiman009@gmail.com

Structure of Manuscript

Manuscripts must be typed on A size paper with 12 font size (Times New Roman), not more than 15 pages, double-spaced, and in English. The file name should include the corresponding author's name and a keyword from the title.

Sequence of Manuscript

I. Title page
II. Abstract (150-250 words)
III. Keywords (3-5)
IV. Introduction
V. Literature Review
VI. Methodology
VII. Results and Discussion
VIII. Conclusion and Recommendations
IX. References (APA 7th Edition)
X. Appendices (if necessary)
XI. Author Biographies (optional)

Plagiarism Policy

ANUK is committed to maintaining high standards through an indept peer-review process with sound ethical policies. Any infringements of professional ethical codes, such as plagiarism; including self-plagiarism, fraudulent use of data, are seriously frowned at by the journal with zero tolerance.

ANUK implements the Code of Conduct of the Committee on Publication Ethics (COPE), and uses the COPE Flowcharts for Resolving cases of suspected plagiarism or any publication misconduct.

In order to avoid plagiarism cases with the ANUK, the following guidelines must be strictly adhered to by authors:

Authors should ensure that they have written entirely original works, and if authors have used the work and/or words of others that this has been appropriately cited or quoted.

An author should not, in general, publish manuscripts describing essentially the same research in more than one journal or primary publication. Submitting the same manuscript to more than one journal concurrently constitutes unethical publishing behavior and is unacceptable.

Proper acknowledgment of the work of others must always be adhered to. Authors should cite publications that have been influential in determining the nature of the reported work.

Editorial Team

TABLE OF CONTENT

TABLE OF CONTENT

ASSESSING THE RELATIONSHIP BETWEEN QUALITY ATTRIBUTES AND THE LIKELIHOOD OF FINANCIAL STATEMENT FRAUD IN NIGERIA'S BANKING SECTOR

MUTAHIR OLANREWAJU FASOLA
Department of Auditing and Forensic Accounting, ANAN University Kwall Plateau State

ABSTRACT

This article rigorously assesses the relationship between the qualitative attributes of financial reporting and the likelihood of financial statement fraud within Nigeria's banking sector. Leveraging the International Financial Reporting Standards (IFRS) Conceptual Framework, it systematically explores how fundamental characteristics (relevance, faithful representation) and enhancing characteristics (comparability, verifiability, timeliness, understandability) influence the propensity for fraudulent financial activities. The analysis posits that adherence to and robust implementation of these quality attributes significantly mitigate fraud risks, while their compromise elevates the likelihood of fraud. Drawing on existing literature and observations within the Nigerian context, the article discusses mechanisms through which these attributes are undermined, the resulting implications for financial stability and investor confidence, and offers actionable recommendations for strengthening financial reporting quality to curb fraud in one of Africa's most vital banking landscapes.

Keywords: Financial Statement Fraud, Quality Attributes, Financial Reporting, Nigerian Banking Sector, IFRS, Corporate Governance.

INTRODUCTION

The integrity of financial reporting is the bedrock of a healthy financial system, particularly within the banking sector. In Nigeria, Deposit Money Banks (DMBs) are central to economic activity, necessitating high levels of public and investor trust in their reported financial performance. However, the recurring specter of financial statement fraud poses a significant threat to this trust, leading to substantial economic losses, regulatory sanctions, and erosion of stakeholder confidence (Eze & Okoye, 2018). This phenomenon underscores a critical inquiry into the underlying factors that facilitate such fraudulent practices.

This article specifically examines the relationship between the qualitative attributes of financial information and the likelihood of financial statement fraud in Nigeria's banking sector. It argues that the strength or weakness of these attributes, as prescribed by global accounting standards, directly impacts a bank's vulnerability to fraudulent manipulation. A robust understanding of this nexus is crucial for policymakers, regulators, auditors, and bank management in their collective efforts to foster transparency and mitigate fraud risks.

However, the wave of financial scandals at the turn of the 21st century elevated the awareness of fraud and the auditor's responsibilities for detecting it. The frequency of financial statement fraud has not seemed to decline since the passage of the Sarbanes-Oxley Act in July 2002. For example, the 2005 biennial survey of more than 3,000 corporate officers in 34 countries conducted by PricewaterhouseCoopers PwC reveals that in the post-Sarbanes-Oxley era, more financial statement frauds have been discovered and reported, as evidenced by a 140 percent increase in the discovered number of financial misrepresentations from 10 percent of companies reporting financial misrepresentation in the 2003 survey to 24 percent in the 2005 survey.

The increase in fraud discoveries may be due to an increase in the amount of fraud being committed and/or also due to more stringent controls and risk management systems being implemented (PricewaterhouseCoopers, 2005). The high incidence of fraud is a serious concern for investors as fraudulent financial reports can have a substantial negative impact on a company's existence as well as market value. For instance, the lost market capitalization of 30 high-profile financial scandals caused by fraud from 2010 to 2018 is more than $900 billion, which represents a loss of 77 percent of market value for these firms (Glass Lewis & Co., 2019) while recognizing that the initial market values were likely inflated because of the financial statement fraud.

Again, Enron and other notable scandals, however, prompted a global shift to re-regulation (Kinney, 2005). In the US, the Sarbanes Oxley Act (SOX) (2002) introduced major modifications to the US audit, financial reporting and corporate governance regimes. Similar regulatory changes subsequently occurred in the UK and many other countries (Lennox, 2009). In Nigeria, the Regulatory authorities also responded by compelling companies to comply with stringent corporate governance codes to avoid the possibility of fraudulent financial reporting. Idornigie (2010) reported that Nigeria has multiplicity of codes of corporate governance with distinctive dissimilarities namely: Security and Exchange Commission (SEC) code of corporate governance (2003) addressed to public companies listed in the Nigeria Stock Exchange (NGX). The code was reviewed in 2011; Central Bank of Nigeria (CBN) Code (2006) for banks established under the provision of the Bank and Other Financial Institutions Act (BOFIA); National Insurance Commission (NAICOM) Code (2009), directed at all insurance, reinsurance, broking and loss adjusting companies in Nigeria; and Pension Commission (PENCOM) Code (2008), for all licensed pension fund operators. Scandals and regulatory changes have brought attendant changes in the conceptualization of practice. For example, Khalifa, Sharma, Humphrey and Robson (2017) present evidence that the dominant audit discourse shifted from one of 'business value' to one of 'audit quality'.

This study effect of audit quality attributes on financial statement fraud likelihood of quoted deposit money banks in Nigeria apart from contributing to the existing body of knowledge will also significantly benefit the following stakeholders: Since auditing is a self-regulating profession, professional bodies will benefit from the findings of this study in terms of strengthening the attributes that will limit the possibility of the presence of financial statement fraud.

CONCEPTUAL FRAMEWORK

Financial Statement Fraud and Qualitative Attributes of Financial Information

Financial Statement Fraud

Financial statement fraud is defined as the deliberate misrepresentation, manipulation, or omission of financial data within an organization's financial statements with the intent to deceive users (ACFE, 2022). Motivations often include misleading investors and creditors, inflating stock prices, achieving performance targets, or concealing financial distress (Enofe et al., 2018). In the context of banking, this can manifest as overstated assets (e.g., fictitious loans, understated non-performing loans), understated liabilities, premature revenue recognition, or concealment of related-party transactions (CBN, 2022). The consequences extend beyond financial losses to reputational damage, regulatory penalties, and systemic instability.

Financial Statement Fraud likelihood

Corporate fraud has significant financial and non-financial impacts on businesses. The repercussions of corporate fraud affect not only the companies and their shareholders, but also employment, social stability and the public at large. Among those that suffer from corporate fraud are those that rely on published information to assess company performance and make investment decisions, such as stockholders and the general public. The serious consequences of corporate fraud have prompted strong control and monitoring mechanisms to be enacted, with the goal of overseeing corporate and management activities.
Financial statement fraud is also a frequent occurrence in Indonesia, owing to the results of audits conducted by both the financial statement fraud is also prevalent in Indonesia, as evidenced by recent audit findings by the Public Accounting Firm and the Audit Board of the Republic of Indonesia (BPK). Additionally, a World Bank Report on Accounting and Auditing (Report on Standards and Codes Compliance, 2010) makes observations about the efficiency of Indonesia's public accountants. The ROSC assesses the extent to which public accounting firms of various sizes adhere to various audit standards. Due to limited resources, quality control is typically more difficult to implement in small public accounting firms for various reasons, one of which is that many auditors do not seek to detect fraud (Tuanakotta, 2015). DeAngelo (1981) demonstrated that an audit firm's size (public accounting firm size) affects an auditor's independence in detecting financial statement errors. According to Francis and Yu (2009), large accounting firms have a heightened interest in detecting irregularities in financial statements. The Public Accounting Firm and the Audit Board of the Republic of Indonesia (BPK) in recent years.

This type of fraud is characterized by intentional misstatements or omissions of amounts or disclosures in financial reporting to deceive financial statement users. This is also known as fraudulent financial reporting and is a type of fraud that causes a material misstatement in the financial statements. More specifically, financial statement fraud involves manipulation, falsification, or alteration of accounting records or supporting documents from which financial statements are prepared. It also refers to the intentional misapplication of accounting principles to manipulate results. Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users. It can be caused by the efforts of management to manage earnings in order to deceive financial statement users by influencing their perceptions as to the entity's performance and profitability. Such earnings management may start out with small actions or inappropriate adjustment of assumptions and changes in judgments by management. Pressures and incentives may lead these actions to increase to the extent that they result in fraudulent financial reporting. Such a situation could occur when, due to pressures to meet market expectations or a desire to maximize compensation based on performance, management intentionally takes positions that lead to fraudulent financial reporting by materially misstating the financial statements. Financial statement frauds cause the highest number of losses at the company level and aim to distort the financial truth in order to obtain certain advantages or to hide possible losses or negative performance. According to a study conducted by the Association of Certified Fraud Examiners, fraudulent financial statements, as compared with the other forms of fraud perpetrated by corporate employees, usually have a higher impact on the victimized entity as well as a more negative impact on shareholders and the investing public. At a general level, financial statement fraud exploits the information asymmetry that exists between different parties in a financial transaction. By combining the illusion of disclosure with false information, financial statement fraud increases this information asymmetry while appearing to minimize it.

In addition, a World Bank Report on Accounting and Auditing (Report on Observance of Standards and Codes, 2010) makes observations on the efficiency of Public Accountants in Indonesia. The ROSC identifies the level of compliance with various audit standards among Public Accounting Firms of various sizes. Due to limited resources, quality control is typically more difficult to enforce in small public accounting firms, one of which is that many auditors do not seek to detect manipulation (Tuanakotta, 2015). DeAngelo (1981) discovered that the size of an audit firm (public accounting firm size) impacts an auditor's independence in uncovering financial statement errors. According to Francis and Yu (2009), major accounting firms have more goals for detecting issues in financial reports.

Fraudulent financial report has myriad of definition, but the common thread is that fraudulent financial report involves intentionally misleading or omitting disclosures in financial reports in an attempt to deceive financial report users, most especially external stakeholders. Talking of fraud in context of financial reporting, we are probably describing wrongdoings that would not ordinarily be seen as fraudulent in the strict legal sense. However, to be a fraud, the wrongdoing must be deliberate and intentional. It usually involves falsification, alteration or manipulation of material financial information contained in the records; material, intentional omissions or misrepresentations of events, transactions, accounts, or other significant information from which financial statements are prepared; deliberate misapplication of accounting principles, policies, and procedures used to measure, recognize, report, and disclose economic events and business transactions; or, intentional omissions of disclosures or presentation of inadequate disclosures regarding accounting principles and policies and related financial amounts (Jeremy, 2005). For the purposes of this study, financial report fraud is being discussed in corporate context; a context that affect confidence in the financial system, corporate governance, accounting and auditing profession, and stock market. The perspective is beyond 'internal fraud' or various types of dishonest conduct in corporate world. This is actually about projecting a false state of affairs on a large scale and in a very public context.

Fraud in financial reporting is based on conscious intent and effort of the perpetrator (directors, auditors, employees etc.) to wrongfully present the reality for personal or corporate gains. Therefore, “fraudulent reporting only refers to intentional misrepresentation, including omissions of amounts purposely designed to mislead the users of the financial reports” can be reflected as: manipulation, forgery, counterfeit or alteration of records or supporting documentation, misstatements or omissions regarding transactions or information, intentional misapplication of accounting principles related to values, classification or manner of presentation of information, fictitious entries records (towards the end of the year) to manipulate operating results or achieve other objectives, improper adjustments of the assumptions and changing in judgments used to estimate account balances, omissions, advances or delays in recognition of transactions that occurred during the reporting period, concealment or non- disclosure of facts that could affect the amounts recorded in the financial statements, engaging in complex transactions designed to distort the entity's financial position or performance; changing the records or conditions of significant transactions. Revenue dilapidation (revenue coming from unwarranted claims or diverting income), theft of physical assets or intellectual property, payments to fictitious suppliers, without the entry of goods or services, use of assets in personal interest (including also personal loan guarantees), false records to cover the deficit are other schemes of financial report fraud.

These abuses are often minor and are usually committed by employees, although sometimes, the managers themselves are involved in such activities. Misappropriation of assets may also include expenses incurred for illicit purposes, in the form of bribery, for corporate undue advantage. Having set those parameters, the psychology becomes very interesting because the likelihood of detection becomes so high that the conduct looks deeply irrational. However, sometimes perpetrators become convinced that they are surrounded by a sufficient number of insiders and external advisers that they will never be detected. It is at this point, that financial report fraud becomes systemically dangerous. This is where the United States found itself in the Enron/WorldCom days and this is why the Sarbanes-Oxley legislation was passed so hastily.

Measurement of Financial Statement Fraud: Beneish M-Score

The Beneish model is a statistical model that uses financial ratios calculated with accounting data of a specific company to check if it is likely (high probability) that the reported earnings of the company have been manipulated. As noted earlier, there is an increasing empirical validation of the robustness of the Beneish M-score in detecting fraud. For example, Carter, Simkins and Simpson (2003). for Indian companies‟ data proved that the use of the M-score is better than the Modified (Chen, Firth, Gao & Rui, 2006) in detecting earnings manipulation. In the US, D‟onza & Lamboglia (2014) also showed that the Beneish M-score could have detected the warning signs sooner. Dechow and Skinner (2000) for the U.S showed that the Beneish-M score outperformed many commonly used measures, such as discretionary accruals derived from the Jones model, the modified Jones model in detecting fraud. This study thus provides new and unique insight. The Beneish M-Score is calculated using 8 financial ratios. If M-Score is less than -2.22, the company is unlikely to be engaged in fraud. If M-Score is greater than -2.22, the company is likely to be engaged in fraud.

Audit Fees and Financial Statement Fraud likelihood

Utomo, et al (2019) examined the effect of audit quality and auditor switching on fraudulent financial statement. This study also examined the effect of managerial ownership as a moderating variable on the relationship of audit quality and auditor switching to fraudulent financial statement. Population in this research is listed on the Indonesia stock exchange in 2013-2017. The total sample use 90 fraud category companies and 100 non-fraud companies with criteria for industry similarity and total assets. Data analysis used descriptive statistical analysis and hypothesis testing using Logistic Regression analysis. The results of this study indicate that there is a significant negative influence between audit quality on fraudulent financial statement. There is a significant positive influence between auditor switching on fraudulent financial statement. Furthermore, the results of this study prove that managerial ownership is able to strengthen the relationship of audit quality to fraudulent financial statement. Managerial ownership is able to weaken the auditor switching relationship to fraudulent financial statement.

Bala, et al (2018) examined the relationship between audit fees and financial reporting quality of listed firms in Nigeria. The study used 88 listed companies in Nigeria for the period of 2012 to 2016. The data were obtained from annual reports of listed firms. Accruals model was used to represent financial reporting quality. Multiple regression was employed in the estimation model. The study revealed that higher audit fees are associated to lower of discretionary accruals and thus imply higher financial reporting quality.

Onaolapo, et al (2017) examined the effect of audit fees on audit quality in Nigeria using a sample of listed cement companies on the floor of the Nigeria Exchange Group. In specific terms, the study investigates the relationship between audit fee, audit tenure, client size, leverage ratio and audit quality. Ordinary Least Square Model estimation technique was employed to analyze the relationship between the explanatory variables and the dependent variable. Secondary data derived from the published annual reports of the selected companies for a six-year period (2010-2015) was used for the study. Findings from the study show that audit fee, audit tenure, client size and leverage ratio exhibit a joint significant relationship with audit quality given coefficient of determination (R2) being 0.6006 and a combined p-value of 0.001 and Fcalc=7.14. This implies that the predictive power of the independent variables as used to explain changes in audit quality is about 60%. Audit fee in particular shows a significant positive impact on audit quality with a t and p-values of (4.04 and 0.001) respectively as well as a high positive correlation coefficient of 0.7513 with audit quality.

Afesha (2015) investigated the determinants of audit fees and the ex-ante audit quality based on variables unique to the banking firms and considered important by regulators in Ethiopian commercial banks. The study also examined whether auditors value factors considered important by the regulatory bank, which result in better alignment of interests of auditors and regulators. The study used panel data for eight commercial banks from the year 2004-2012. The panel fixed effect regression results revealed bank size, liquidity, efficiency, loan growth, capital adequacy and auditor size are significant determinants of audit fees in Ethiopian commercial banks. However, among the factors considered important by the regulatory bank, credit risk is found to be

insignificant. With regard to audit quality, the study did not find significant relationship between the extent of earning management and abnormal audit fees, indicating that auditors do not seem to compromise audit quality to secure abnormally higher audit fees.
Navid, et al (2014) examined the effect of independent audit quality on the quality of financial disclosure - evidence from Tehran Stock Exchange. This study is ranged from 2008 to 2013 for firms listed in Tehran stock exchange. Audit quality is the independent variable in this study and measure by six factors. Dependent variable is the quality of financial disclosure. Study has six hypotheses' models is multiple regression and software used is E-views version 8. The results demonstrated that there is no relationship between auditor industry specialization, auditor tenure, audit fee income of the audit firm, to quality of information. But there is a significant relationship between auditing firm antiquity and audit quality to quality of information. Finally, according to the hypothesis test is concluded that, contrary to popular perception, there is no relationship between the quality of audited financial statements and the quality of information presented in the financial statements' companies in Tehran Stock Exchange.

Hsiao, et al (2011) examines the relationship between audit quality and a more direct measure of earnings management – financial reporting fraud. The sample consists of 69 AAER firms, identified from the SEC web site, that were alleged fraudulent or misleading financial reports affecting fiscal periods between 2000 and 2003. The study estimates the following logistic regression model, where FRAUD equals "1" if the firm is cited in an AAER for alleged fraudulent or misleading financial reports, and "0" otherwise. FEEVAR indicates the alternative measures of the auditor fee variables. Contrary to the concerns that non-audit services are the primary reason for auditor independence impairment that results in lower audit and earnings quality, this study finds no significant relationship between reporting fraud and fees paid to auditors for various services. Most of study of the study were carried in a developed countries as such cannot be use to generalize in the Nigeria context, therefore this study focus on the Nigeria deposit money banks which is financial institution where fraud are likely to take place.

Qualitative Attributes of Financial Information

The International Accounting Standards Board's (IASB) Conceptual Framework for Financial Reporting (2018) identifies the qualitative characteristics that make financial information useful. These are categorized as:

Fundamental Qualitative Characteristics:

Relevance: Financial information is relevant if it can influence user decisions. It possesses predictive value (useful for forecasting future outcomes) and confirmatory value (confirms or corrects prior expectations). For banks, relevant information provides timely insights into asset quality, liquidity, and profitability, making it difficult to conceal impending issues.

Faithful Representation: Information must accurately depict the economic phenomena it purports to represent. This requires completeness (all necessary information is included), neutrality (information is free from bias), and freedom from error (no material errors or omissions). Fraud fundamentally violates faithful representation through deliberate misstatement or omission.

Enhancing Qualitative Characteristics: These improve the usefulness of relevant and faithfully

Comparability: Enables users to identify and understand similarities and differences among items across different entities and over time. Lack of comparability can obscure fraudulent patterns or permit unique, non-standard accounting practices to hide manipulation (Olamide & Adebayo, 2021).

Verifiability: Assures users that information faithfully represents the economic phenomena described. It implies that different knowledgeable and independent observers could reach a consensus that the depiction is faithful. Strong audit trails and independent verification processes deter fraud by making manipulation detectable (FRCN, 2021).

Timeliness: Information is available to decision-makers in time to influence their decisions. Delayed reporting can allow fraudulent schemes to persist and escalate before detection (NDIC, 2023).

Understandability: Information is classified, characterized, and presented clearly and concisely. Overly complex or obscure financial statements can be a deliberate tactic to hide fraudulent activities from scrutiny (SEC Nigeria, 2020).

RELATIONSHIP BETWEEN QUALITY ATTRIBUTES AND LIKELIHOOD OF FRAUD

The nexus between financial reporting quality attributes and fraud likelihood is inverse: stronger attributes correlate with lower fraud likelihood, and vice versa.

1. Relevance and Faithful Representation as Core Deterrents

The fundamental attributes directly counteract fraud. When financial information is truly "relevant", it offers a clear and current picture of a bank's operations, making it harder for management to mask deteriorating performance or conceal significant liabilities. For instance, if a bank faithfully recognizes deteriorating loan portfolios and promptly assesses their impact on earnings (relevance), it reduces the incentive and opportunity for fraudulent provisioning or misclassification (Ekene & Uche, 2019).

Faithful representation is the most direct counter to fraud. Fraud by its nature involves misrepresentation.
Completeness: Omitting crucial information, such as undisclosed related-party transactions or off-balance-sheet arrangements, is a common fraud technique. A commitment to completeness exposes such omissions.

Neutrality: Fraudulent reporting often involves bias, such as aggressively recognizing revenue or understating expenses and losses to paint an artificially rosy picture. Neutral reporting ensures that information is free from such manipulation.

Freedom from error: While accidental errors are distinct from fraud, intentional errors are the essence of fraud. Rigorous financial reporting systems aimed at minimizing error inherently reduce the scope for deliberate misstatements.

2. Enhancing Attributes as Catalysts for Detection and Prevention

The enhancing characteristics indirectly bolster fraud detection and prevention by improving the clarity, consistency, and reliability of financial information:

Comparability: Enables stakeholders to benchmark a bank's performance against industry peers or its own historical trends. Inconsistencies or unusual deviations, which might signal fraudulent accounting practices, become more apparent (Olamide & Adebayo, 2021).

Verifiability: A robust emphasis on verifiability through strong internal controls, comprehensive documentation, and independent audit trails makes it significantly harder for fraudulent entries or transactions to be created or to remain undetected. This attribute directly supports the work of internal and external auditors (FRCN, 2021).

Timeliness: Delays in reporting can provide fraudsters with extended periods to execute and conceal their schemes. Prompt financial reporting forces greater accountability and reduces the window for undetected fraud (NDIC, 2023).

Understandability: When financial statements are clear and concise, they reduce the information asymmetry between management and users. This clarity makes it more difficult to hide complex, fraudulent transactions within opaque disclosures (SEC Nigeria, 2020).

Recommendations for Strengthening Quality Attributes and Mitigating Fraud

To effectively assess and mitigate the likelihood of financial statement fraud in Nigeria's banking sector, a multi-pronged approach focusing on reinforcing qualitative attributes is imperative:

- Enhance Corporate Governance: Mandate greater board independence, empower audit committees with forensic accounting expertise, and foster a culture of ethical leadership from the top (FRCN, 2021).
- Strengthen Regulatory Oversight and Enforcement: The CBN and NDIC should increase the frequency and depth of forensic audits, employ advanced data analytics for anomaly detection, and ensure prompt and stringent penalties for fraudulent activities and non-compliance with reporting standards (CBN, 2022).
- Promote Auditor Independence and Quality: Implement stricter regulations regarding auditor rotation and scope of non-audit services. Encourage specialized training for auditors in banking sector complexities and fraud detection methodologies (Okonkwo & Obi, 2019).
- Invest in Robust Internal Control Systems and Technology: Banks must continuously upgrade their internal control frameworks, including IT controls, to prevent, detect, and correct misstatements. Adoption of AI and machine learning for transaction monitoring can enhance verifiability and timeliness.
- Implement Effective Whistleblower Protection: Establish clear, confidential, and well-publicized channels for reporting fraud, coupled with robust protection for whistleblowers to encourage internal reporting without fear of retaliation.
- Continuous Professional Development: Ensure that all financial reporting personnel within banks receive ongoing training on IFRS updates, ethical standards, and emerging fraud schemes.
- Foster a Culture of Transparency and Ethical Conduct: Promote an organizational culture where integrity, accountability, and ethical decision-making are deeply embedded and rewarded, discouraging fraudulent behavior at all levels.

CONCLUSION

The relationship between the qualitative attributes of financial reporting and the likelihood of financial statement fraud in Nigeria's banking sector is profound and unequivocally inverse. Robust financial reporting, characterized by relevance, faithful representation, comparability, verifiability, timeliness, and understandability, acts as a formidable bulwark against fraudulent activities. Conversely, any compromise to these attributes creates vulnerabilities that fraudsters can exploit. By prioritizing and reinforcing these quality attributes through stronger corporate governance, rigorous regulatory oversight, enhanced audit practices, and a pervasive ethical culture, Nigeria's banking sector can significantly reduce its susceptibility to financial statement fraud, thereby safeguarding financial stability and bolstering investor confidence for sustainable economic growth.

REFERENCES

ACFE. (2022). Report to the Nations: 2022 Global Study on Occupational Fraud and Abuse. Association of Certified Fraud Examiners.

Adebayo, K. O., & Okoro, J. N. (2020). Corporate governance and financial reporting quality in Nigerian deposit money banks. *Journal of Financial Studies*, 12(3), 45-62.

Central Bank of Nigeria (CBN). (2022). *Financial stability report for 2021. Abuja, Nigeria: Author.

Ekene, C. D., & Uche, I. P. (2019). Determinants of financial reporting fraud in Nigeria: A banking sector perspective. International Journal of Accounting and Financial Management Research, 9(1), 1-15.

Enofe, A. O., Olorunfemi, S., & Omage, B. I. (2018). Forensic accounting and fraud detection in Nigerian banks. European Journal of Business and Management, 10(14), 163-172.

Financial Reporting Council of Nigeria (FRCN). (2021). Nigerian Code of Corporate Governance. Abuja, Nigeria: Author.

Okonkwo, E. A., & Obi, S. (2019). An empirical analysis of the impact of forensic accounting on fraud detection in Nigerian banks. Journal of Forensic Accounting and Auditing, 7(2), 88-105.

Olamide, P. A., & Adebayo, K. L. (2021). The role of accounting comparability in mitigating financial statement fraud: Evidence from Nigeria. African Journal of Accounting Research, 15(4), 210-225.

Securities and Exchange Commission (SEC) Nigeria. (2020). Rules and Regulations of the Securities and Exchange Commission. Abuja, Nigeria: Author.

Hsieh, M. T. (2011). Does audit partner tenure influence on audit quality? *Asian Journal of Management 123, 8*(2), 11-26.