

Uthman, Ahmad Bukola; Oke, Lukman Adebayo; Ajape, Mohammed Kayode; Abdul-Baki, Zayyad; Tijani, Murhtala Oladipupo

## Article

# Curbing Financial Crimes with Anti-Graft Bureaus in Nigeria: The Accountants' Perception

Journal of Accounting and Management Information Systems (JAMIS)

## Provided in Cooperation with:

The Bucharest University of Economic Studies

*Suggested Citation:* Uthman, Ahmad Bukola; Oke, Lukman Adebayo; Ajape, Mohammed Kayode; Abdul-Baki, Zayyad; Tijani, Murhtala Oladipupo (2015) : Curbing Financial Crimes with Anti-Graft Bureaus in Nigeria: The Accountants' Perception, Journal of Accounting and Management Information Systems (JAMIS), ISSN 2559-6004, Bucharest University of Economic Studies, Bucharest, Vol. 14, Iss. 1, pp. 107-127

This Version is available at:

<https://hdl.handle.net/10419/310583>

## Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

## Terms of use:

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*



<http://creativecommons.org/licenses/by/4.0/>

## Curbing financial crimes with anti-graft bureaus in Nigeria: The accountants' perception

Ahmad Bukola Uthman<sup>a, 1</sup>, Lukman Adebayo Oke<sup>b</sup>,  
Mohammed Kayode Ajape<sup>c</sup>, Zayyad Abdul-Baki<sup>d</sup>  
and Murhtala Oladipupo Tijani<sup>a</sup>

<sup>a</sup>*Al-Hikmah University, Ilorin, Nigeria*

<sup>b</sup>*Kwara State University, Malete, Nigeria*

<sup>c</sup>*University of Lagos, Lagos, Nigeria*

<sup>d</sup>*University of Ilorin, Ilorin, Nigeria*

**Abstract:** Corruption, be it financial or non-financial is a global cankerworm that has eaten deep into the fabrics of many nations and war against it has been a recurring decimal in every economy. In Nigeria, recent attempts at nipping corruption in the bud gave rise to some anti-graft agencies such as the Economic and Financial Crimes Commission (EFCC). Against this background, opinion of 140 accountants in various capacities was sought on the efficacy of the anti-graft agencies in curbing financial crimes through a survey questionnaire. The study found that respondents group perceived the anti-graft agencies as highly effective but could not establish that accountants in various walks of life differ significantly in their perception of the efficacy of the Nigerian Anti-graft bureaus (Overall Mean= 2.98, F= 2.263 and P>0.05) using ANOVA as statistical analysis tool. It was recommended that Nigerian government should strengthen the Anti-financial crimes agencies given that the influence of highly placed offenders, the dignity, societal bondage and shame inherent in financial crimes may affect the potency of anti-financial crimes measures put in place.

**Keywords:** Financial crimes, anti-graft bureaus, opportunity theory, defiance theory, Nigeria

**JEL codes:** D04, H24, M48

---

<sup>1</sup> *Corresponding author:* Department of Accounting, Al-Hikmah University, Ilorin, PMB 1605, Ilorin, Nigeria (+234) 80-593-749-11, Email address: ahmadbuthman@gmail.com

## **1. Introduction**

“... A new global standard regarding corruption began to take place ... and tackling corruption, [is seen] as essential elements of a framework within which economies can prosper.” (Pogeson, 2009, p. 60). Nipping corruption in the bud has thus been one of the key issues articulated by most developing nations deepened in corrupt practices. Various government regimes in Nigeria, since independence, have reacted in different ways to deter the spread of corruption. Anti-corruption laws have severally been enacted, repealed and re-enacted. Agencies commissioned and committees set up. Infact, the 1983 coup led by, Gen. Muhammadu Buhari, was said to have been carried out with the aim of halting corruption and restoring discipline, integrity and dignity to public life (Ogbeidi, 2012: 8).

The pervasion of corruption in Nigeria has attracted criticisms from various quarters and has been widely reported. Nigeria, as an economy was reported to have lost an estimated sum of £205 million (N105.4 billion) in tax revenues between 2005 and 2007 to the United Kingdom, the European Union and Ireland, as a result of corruption in the form of trade mispricing (Chriatain Aid, 2008; Otusanya, 2011). More so, the joint audit conducted by the central bank of Nigeria(CBN) and the Nigeria deposit insurance commission (NDIC) on the five indicted banks in 2009 revealed how corrupt practices have led to loss of huge funds in non-performing loan. It showed that the five banks had a total loan portfolio of N2.8 trillion. Aggregate of non-performing of these loans represents 40.81 per cent of the total loans (Otusanya, 2012). Recently, “the Senate had asked the president to fire Mr. Maina and ordered his prosecution for his alleged role in a N195 billion pension fraud” (Dailytimes NG, March 9, 2013).

As with many developing nations, Nigeria has built her anti-corruption agencies on the sociological theories of anticorruption (e.g. Opportunity theory, defiance theory etc.). She adopts both post mortem and proactive measures in her fight against corruption. Post mortem exercises take the form of constituting investigative panels upon suspicion and/or public outcry that corruption has been perpetrated. This hardly yields any meaningful results as the consequences of corruption are usually irreversible. The establishment of anti-graft agencies to serve as watchdogs against corrupt practices are considered proactive anticorruption agencies adopted and sustained since the dawn of the fourth republic. While the establishment of these institutions has been assiduously assailed and discredited by a number of critics, it has also been applauded by some. They are assailed of being used as political whips against opposition when they uphold fierce prosecution of offenders while also being accused of laxities when they are too cautious about sensitive issues. Mallam Shekarau, during the 2011 presidential debate outspokenly considered the establishment of EFCC a multiplication of agencies and tagged it ‘glorified police station’. He felt giving better funding to the Nigerian police would have produced

better results. News reports and research outputs are also replete with conflicting views on the fidelity of the birth of these anti-corruption agencies.

Theoretically, these political institutions, as they are mostly referred to, are meant to demand explanations or impose penalties to ensure accountability (Jenkins, 2007). In practical terms however, they are met with mixed reactions regarding their efficacy in the discharge of their civic responsibilities. Given this background, an objective assessment of their impact in combating financial crimes may be necessary, especially in Nigeria, as special purpose anti-financial crime institution (EFCC) has been established. We therefore identify a profession that is almost inseparable from financial crimes, both in training and practice, make a research sample there from and 'problematise' the impact of anti-financial crimes institutions in curbing financial crimes. Hence, the proposition: Perception of the efficacy of Nigeria's anti-graft bureaus in fighting financial crimes does not significantly differ among accountants in Nigeria.

## **2. Literature review**

### **2.1. Conceptualization and causes of financial crimes**

The repletion of financial crimes in literature is skewed towards its definition as breach of trusts at the macroeconomic level. Its standard definition is either the abuse of public office or misuse of entrusted trust for personal gains (Transparency International, 2010). At micro level, it may be perpetrated to meet basic needs due to prevalent poverty while greed may be attributed to the abuse of public office and trust for personal gains. Meanwhile, its abhorring nature has lent credence to its popularity in the contemporary literature. Hence, "its conceptualization is intertwined with ideological, moral, cultural and political perspectives" (Otusanya, 2011b: 388). Financial crime has widely been entangled with politics as it is usually conceived in academic literature as either misuse of public office or breach of trust for personal gains by political elites (see Osborne, 2007; Camerer, 2007; Vermeulen, 2007). Hanna *et al.* (2011) define it politically to include "a situation where a bureaucrat overtly asks a citizen for a monetary bribe in order to perform a basic, but often illegal, service, such as providing someone with a residency card etc" (p.8). Intrinsic in its essence is the deliberate deprivation of or causing loss to another party for selfish gain. Public recognition and power are usually the instruments possessed by political elites to deprive people of their needs for selfish gains. More so, no any single sector has the monopoly of financial malpractices. Dye (2007) sees financial crime as a behaviour that can occur in both public and private domains. He then defines it to include:

"fraud, bribery, political corruption, conflict of interest, embezzlement, nepotism, and extortion. Examples of government

operations particularly vulnerable to corruption are travel claims; collection of taxes and customs revenues; administration of procurement contracts; concessions of subsidies, permits, and licenses; hiring, administration of personnel, and payroll systems; privatization processes; petty cash abuse; and e-commerce and Internet credit card transactions” (p. 308)

Ideologically and culturally however, it is perceived in Africa that the sub-culture of corruption is the acceptable face of capitalism and any form of commercial transaction, especially with the West/Multinational corporations must necessarily involve an element of corruption as bribery is regarded as a petty cash (Oruene, 2007). Hence financial crime is inherent in any business transaction involving people and measured on cost/benefit analysis basis. From religion stand point, the aforementioned view about corruption is succinctly believed in Islam to involve the human deeds and misdeeds as Allah(SWT) puts: “corruption has appeared in the land and the sea on account of what the hands of men have wrought”(Q30:41).

Several reasons have been adduced for the perpetration of financial crimes. Mobolaji (2012) believes that it is either induced by greed or need. It is considered greed when done by the elites to impoverish the vulnerables. Otusanya (2012) extends the discussion of greed to include the economic ties with the developed world, involvement of multinational corporations and top government officials, money laundering through offshore financial centres and other forms of abuse of Information Technology. The need-induced financial crime is perpetrated by the impoverished citizens as they are being denied of their basic needs. Poverty, lack of adequate health care and other basic facilities could also leave victims with no option than corruption. Corruption of this type takes the form of small size embezzlement, bribery, collusion to defraud organizations and other forms of mean opportunistic crimes. Though, there are no generally agreed reasons for the causes of financial crimes (Dye, 2007), they vary from country to country but majorly, unstable government and institutional faults, lack of good implementation of government programmes and policies, corrupt judicial systems and anticrime institutions, poor remuneration of workers and weak accountability and transparency structures are apparent causes in the developing worlds. The major causes are summarized in Table 1 (consistent with Mobolaji, 2012).

**Table 1. Causes of financial crimes**

<b>Causes</b>	<b>Main Actors</b>	<b>Mode</b>
Greed	Management employees, political elites, politicians, businessmen, financial analysts and professionals, corporate entities corporate tax evasion etc.	Wholesale fraud with impunity, tax evasion scheme orchestration, creation of ghost workers, money laundering, favouritism and discrimination etc.

**Curbing financial crimes with anti-graft bureaus in Nigeria:  
The accountants' perception**

---

Need	Impoverished employees, petty cash officials and cashiers, opportunistic commoners.	Small size embezzlement and misappropriation, bribery and kickbacks, personal tax evasion.
------	---	--

---

(Source: Adapted from Kpundeh, 1998)

## **2.2. Theoretical framework**

At a macroeconomic level, opportunity theory moves the explanation of corruption away from focusing solely on the offender. It identifies the need to involve a third party in the principal-agent relationship so as to serve as guardianship for the investments of the principal. It thus exposes the flaws of agency theory by contending that a premeditated connivance of a weak guardian and a motivated offender (agent) against a vulnerable target (principal) will result in a thriving corruption. This theory was popularized by Cohen and Felson (1979) to explain how routine activity could lead to the vulnerability to crime of an unsuspecting target in the hands of groups who have both inclination and ability to commit crime. The taking place of many activities outside the sight of a suitable target of his attractive valuables may be sufficient enough motivation for the connivance of the guardian (umpire) and the offender (agent). This may therefore necessitate the need for an appropriate sanction or threat by the society.

It is a commonplace practice for all societies to deter offenders by imposing or threatening sanctions on corruption, Sherman's (1993) defiance theory contends that such sanctions may sometimes deter, but could also have no effect and sometimes could have the opposite of their intended effects. Corruption is more pronounced, even with impunity, among corrupt office holders who may want to outsmart the provisions of the law to protect his corrupt acts. They usually want to be perpetuated in office or at least are enriched corruptly to protect their future (Mobolaji, 2012). Evidences were provided in Nigeria to suggest that the economic and political elites have dominated the state and other regulatory agencies, as a result of which many anti-social practices are not investigated and a number of investigative reports remain unpublished (Fawehinmi, 2004; Otusanya, 2012). Thence, even if sanctions are imposed on corruption, the dominance of the corrupt elites would deter its effects. Sherma (2003) theoretically prophesised this as his defiance theory believes that the effect of the sanction on corruption is a function of three factors namely; (1) the dignity of the alleged offenders, (2) societal bondage of the offender and (3) the shame implicit in the sanctions. Therefore, the corrupt public officer or political elite would rather harness more benefits than cost of engaging in corruption to be well equipped against possible shame that may succeed his engagement in corruption.

Given the backdrop of the above theories, this study therefore, evaluates the potency and faithfulness of the EFCC as an anti-graft agent, in order to evaluate its guardianship strength with regards to its principal (the populace) against the

capitalist and corrupt tendencies of motivated offenders (corrupt public officials) in line with the argument of the routine activity theory. Further, defiance theory offers a platform to test the effect of the sanctions meted out against corrupt officials by the anti-graft agency. Thence, this study locates accountancy as a profession that is central to the discourse of financial crimes as the sample frame to test its proposition.

### **2.3. Accounting profession and financial crimes**

Conventionally, checking the conformity of financial statements with applicable financial reporting framework is the backdrop against which the periodic audit operates. Therefore, fraud detection has rather been perceived as a by-product and not one of the primary responsibilities of the audit process (Gray & Moussalli, 2006). Auditors believe that the primary responsibility for fraud detection is a managerial endeavour (Dye, 2007) and therefore, did not see fraud and corruption busting as their main goal. They believe that an auditor was expected to spontaneously ferret out fraud and inconsistencies in the examination of company's accounts through the usual audit process. Hence, the primary responsibility of the auditors is to carry out investigations to reach an opinion on whether proper books have been kept and whether the accounts comply with the underlying entries and opine on the truth and fairness of the audited accounts (see Baxt, 1970; Cunningham, 2003).

Moreover, "The accounting profession has undertaken greater responsibilities in the performance of its services" (O'Leary, 1990: 239) since the evolution of modern businesses which are now premised on agency concerns. The burden of responsibilities is expanded by the expectation of fraud detection as each wave of fraud is often accompanied with the cries of "where are the auditors?" (Jamal, 2008). Hence, as the expectation gap widens, state enactments have begun to consider "auditors' responsibility for fraud detection" (e.g. US's Sarbanes Oxley Act, 2002; Nigeria's FRCN Act 2011). The challenges of the additional responsibilities have thence, exposed the accounting profession to litigation risks, loss of public confidence and stringent state scrutiny among others. The import of this is also the US Accounting Industry Reform Act of 2002 (Byington & Christensen, 2003).

Accounting profession has reacted to these expectations basically in two ways. First, Technical pronouncements have been made to address the concerns about responsibility for fraud detection. Statement of Auditing Standard no. 99 was pronounced in 2002 to supersede SAS no. 82 in regulating the responsibility of auditor for fraud detection in a financial statement audit. "It aims to have the auditor's consideration of fraud seamlessly blended into the audit process and continually updated until the audit's completion" (Ramos, 2003: 28). Hence, the

standard is considered the profession's effort to bridge the seemingly widened expectation gap. It is the bedrock of the profession's antifraud program, premised on a continuous and on-going exercise with detailed scrutiny spanning the period of the audit since the perpetration of fraud is as well done in the course of the routine work place activities and typically involves the "unique ability of management to frequently use its position to directly or indirectly manipulate accounting records and present fraudulent financial information to the auditors" (SAS 99, p.8). The standard therefore urges the auditor to approach audit with ardent professional scepticism and a mindset of fraud detection in the course of routine periodic audit.

Second, the involvement of forensic science in the profession of accounting has reached an acceptable level both with professional accounting bodies as well as accounting researchers. During the 3rd inauguration of the certification of 125 forensic accountants by the Institute of Chartered Accountants of Nigeria (ICAN), the president of the body reacts:

"Given the lingering crisis in the financial services sector and the government challenges at all levels, the need for forensic accounting knowledge and experts by regulators, law enforcement agencies and chartered accountants acting as external auditors, chief finance officers and heads of internal control departments of corporate entities cannot be over-emphasized" (Obuh, 2012: 1).

It implies therefore that a forensic accountant is perceived to possess skills exceeding those of a traditional auditor and provides services beyond the scope of a typical financial audit engagement (Harris & Brown 2000; Christensen *et al.*, 2005). It is noteworthy to point out at this juncture that; Christensen *et al.* (2005) have suggested the inclusion of a forensic accountant in every audit team because they consider forensic skills to be wider in scope and more effective in probative values. Nonetheless, they recognize the necessity of the current audit system in financial investigations. Hence, forensic experts taking certification in accounting skill and vice versa will breed scores of fraud detection experts among professional auditors. Lannacci and Morris (2000) however warned that:

"the successful completion of a college program, even a Master's degree program in forensic science, does not automatically qualify the graduate to work and testify in court as a forensic expert in his field. After completing his college work, the forensic scientist receives several additional years of training in an apprenticeship program learning how to apply his formal educational knowledge with new skills on how to examine evidence" (p.72)

It may be argued therefore that the training acquired in forensic skills will enhance the scepticism to probe relevant areas of suspicion if blended with requisite



accounting experience and rudimentary acumen. Though, the forensic accountant may not have become a superman in fraud detection; he perhaps would be able to discover fraud more easily as he conducts his audit with a mindset on fraud detection.

Notwithstanding the foregoing antifraud measures, accounting profession has also been discredited for culpability in lending acumen to the perpetration of fraud through its various cost-saving schemes. Notable among these schemes are the tax avoidance schemes since accountancy firms have always sought to mobilise their technical knowledge to develop complementary products and adjacent markets, including the sale of tax avoidance schemes (Sikka & Willmott, 1995; Sikka & Hampton, 2005). Hence, "Accountancy firms are part of the contemporary 'enterprise culture' that persuades many to believe that 'bending the rules' for personal gain is a sign of business acumen" (Sikka & Hampton, 2005: 8). Consequently, they use "their control of auditing markets to colonise adjacent markets in order to sell consultancy services to auditing clients" (Otusanya & Lauwo, 2010: 172). Hence, attention should be spread beyond mending the output of the profession as a whole. It should encompass the regulation of the practice of accountancy and audit services so as achieve a holistic antifraud campaign.

The globally acclaimed antifraud measures seem not mature in the Nigerian accountancy domain as the travails of government anti-graft institutions are marred by the outwitting acumen of fiendish accountants and accounting firms alike. Although it is traditional for accountants to acclaim public interest in the conduct of their job, they have however been implicated in Nigeria for "various acts of professional misconduct and in falsification and deliberate financial engineering in Nigeria" (Otusanya & Lauwo, 2010: 178). Prominent among these implications is the indictment of Akintola Williams Delliott (AWD), a foremost and one of the big four accounting firms in Nigerian, for feigning ignorance of falsification concurrently in the accounts of the defunct Afribank Plc and Cadbury Plc. "This accounting manipulation occurred with the knowledge of board of directors and on the professional advice of the external auditors, AWD" (Otusanya & Lauwo, 2010: 179). Although AWD continues to claim 'high integrity and ethical values', it however formally resigned as the auditors of Cadbury Plc before the completion of investigations on the alleged professional misconduct.

More so, the swoop of investors' and depositors' funds during the crisis in the Nigerian Banking Sector featured the Big four accounting firms as the auditors of all the affected banks. Despite the long standing relationship established with those banks, none of the auditors ever qualified their reports nor issued warning signals of impending crisis. Table 2 below depicts the banks audited by the big four accounting firms in Nigeria.

**Table 2. Banks audited by the Big Four accounting firms**

KPMG Professional Services	Akintola Williams Deloitte & Touche	PriceWaterhouse Coopers	Ernst & Young
Access Bank	Afri Bank	BankPHB	Skye Bank
Guarantee Trust Bank	Fidelity Bank	Diamond Bank	
Wema Bank	First bank	Eco bank	
Nigerian Int. Bank	First Inland Bank	FCMB	
Sterling Bank	Union Bank	IBTC Stanbic	
Standard Chartered	Unity Bank	Intercontinental Bank	
	United Bank of Africa	Oceanic Bank	
	Equitorial Trust Bank	Zenith Bank	
	Spring Bank	Stanbic Bank	

(Source: Otusanya & Lauwo, 2010)

The aftermath of the crisis in the banking sector led to the buy over of Afribank, BankPHB and Intercontinental Banks respectively.

#### **2.4. Nigerian institutional environment: A case of the Economic and Financial Crimes Commission (EFCC)**

Government Institutions and agencies in Nigeria are enacted into law by the National Assembly subsequent to the invocation of the President, through a bill, specifying the need, functions, membership, duties and powers of such agencies (Constitution of the Federal Republic of Nigeria, 2004). The case was not different for the establishment of the EFCC into the law of the federal republic environment. The Obasanjo-led Nigerian political administration ushered in the EFCC in 2004 to wage a decisive war against the rapacious financial improprieties that characterized the polity during the just halted successive military administrations. The establishment was also necessary to correct the world's impression on Nigeria since the endemism of financial crime had reached the level that attracted adverse attention and reaction internationally (Waziri, 2010). With the enactment of law to back up its establishment, the EFCC became part of the public accountability system with requisite power and financial backing of the federal government. The EFCC, amongst others, has its major function as the "investigation of all financial crimes" (EFCC Act, 2004: 4). It is on this note that it is empowered to enforce the provisions of extant laws on corruption and financial crimes such as; the Money Laundering Act 2004; 2003 No.7 1995 N0. 13; the Advance Fee Fraud and Other Fraud Related Offences Act 1995; the Failed Banks (Recovery of Debts) and Financial Malpractices in Banks Act 1994, as amended; The Banks and other Financial Institutions Act 1991, as amended; Miscellaneous Offences Act and Any other law or regulations relating to economic and financial crimes, including the

Criminal code of penal code (EFCC Act, 2004). As a result, the commission is sufficiently empowered to conduct investigations as to “whether any person, corporate body or organizations has committed any offences under the act or other law relating to economic and financial crimes” (EFCC Act, 2004: 5).

Alongside the ordinary powers overly conferred on the EFCC by the act, it also has the power to

- a. “cause investigations to be conducted as to whether any person, corporate body or organization has committed any offence under this Act or other law relating to economic and financial crimes”
- b. “cause investigations to be conducted into the properties of any person if it appears to the commission that the person’s lifestyle and extent of the properties are not justified by his source of income” (EFCC Act, 2004: 5).

These powers were conferred on the EFCC so as to enable it perform its numerous duties of:

- (a) the enforcement and the due administration of the provisions of this Act;
- (b) the investigation of all financial crimes including advance fee fraud, money laundering, counterfeiting, illegal charge transfers, futures market fraud, fraudulent encashment of negotiable instruments, computer credit card fraud, contract scam, etc.;
- (c) the co-ordination and enforcement of all economic and financial crimes laws and enforcement functions conferred on any other person or authority;
- (d) the adoption of measures to identify, trace, freeze, confiscate or seize proceeds derived from terrorist activities, economic and financial crimes related offences or the properties the value of which corresponds to such proceeds;
- (e) the adoption of measures to eradicate the commission of economic and financial crimes;
- (f) the adoption of measures which includes coordinated preventive and regulatory actions, introduction and maintenance of investigative and control techniques on the prevention of economic and financial related crimes;
- (g) the facilitation of rapid exchange of scientific and technical information and the conduct of joint operations geared towards the eradication of economic and financial crimes;
- (h) the examination and investigation of all reported cases of economic and financial crimes with a view to identifying individuals, corporate bodies or groups involved;
- (i) the determination of the extent of financial loss and such other losses by government, private individuals or organizations;

- (j) collaborating with government bodies both within and outside Nigeria carrying on functions wholly or in part analogous with those of the Commission concerning -
  - (i) the identification, determination, of the whereabouts and activities of persons suspected of being involved in economic and financial crimes,
  - (ii) the movement of proceeds or properties derived from the commission of economic and financial and other related crimes;
  - (iii) the exchange of personnel or other experts,
  - (iv) the establishment and maintenance of a system for monitoring international economic and financial crimes in order to identify suspicious transactions and persons involved,
  - (v) maintaining data, statistics, records and reports on person, organizations, proceeds, properties, documents or other items or assets involved in economic and financial crimes;
  - (vi) undertaking research and similar works with a view to determining the manifestation, extent, magnitude, and effects of economic and financial crimes and advising government on appropriate intervention measures for combating;
- (k) dealing with matters connected with the extradition, deportation and mutual legal or other assistance between Nigeria and any other country involving Economic and Financial Crimes;
- (l) The collection of all reports relating suspicious financial transactions, analyse and disseminate to all relevant Government agencies;
- (m) taking charge of, supervising, controlling, coordinating all the responsibilities, functions and activities relating to the current investigation and prosecution of all offenses connected with or relating to economic and financial crimes;
- (n) the coordination of all existing economic and financial crimes, investigating units in Nigeria;
- (o) maintaining a liaison with office of the Attorney-General of the Federation, the Nigerian Customs Service, the Immigration and Prison Service Board, the Central Bank of Nigeria, the Nigeria Deposit Insurance Corporation, the National Drug Law Enforcement Agency, all government security and law enforcement agencies and such other financial supervisory institutions in the eradication of economic and financial crimes;
- (p) carrying out and sustaining rigorous public and enlightenment campaign against economic and financial crimes within and outside Nigeria and;
- (q) carrying out such other activities as are necessary or expedient for the full discharge of all or any of the functions conferred on it under the Act.  
(EFCC Act, 2004: 5).

Therefore, it identified as the standard institution that can fight financial crimes. In the development of the first implementation plan of the Vision 2020, financial crimes and “corruption was identified as a key element inhibiting economic growth and social advancement in Nigeria” (Anonymous, 2010: 41). As such, the planned

investment in EFCC was put at N8.1billion (\$50.6Million) for 2010-2013 to strengthen them as anticorruption agencies to enhance their ability to carry out their mandate in a bid to “achieving the nation’s aspiration of becoming a leading economy” (Anonymous, 2010 p. 41). Hence, lots of successes were recorded by the commission as it became the most recurring headlines of most Nigerian newspapers (Aiyede, 2010). More so, the EFCC has been able to secure 117 convictions against individuals as well as corporate bodies on cases of financial crimes of varying degrees in the year 2013 alone (EFCC, 2013).

However, the operation of EFCC was questioned for reclining towards fighting the enemies of the “sitting president”. It was alleged that President Obasanjo “used it as an instrument of his will ...[to] fight against corruption as a way to prosecute his political opponents” (Odinkalu, 2010: 33). This has further been buttressed by the failure of EFCC to investigate the financial crimes associated with the 2003 Elections as well as the allegation of bribery in the National Assembly during the debate of the failed Constitutional Amendment Bill that sought to extend the tenure of the president and state executives (Aiyede, 2010).

Notwithstanding the critics of the assailants, the EFCC has identified the need to co-opt Nigerian accountants in the fight against the odds of corruption bubbling in the country. The chairman of the EFCC, Ibrahim Lamorde, charged the accountants to take up the gauntlet in the fight against corruption rather than being accomplices in the evil act (efccnigeria.org), charging them to be the first line of defence against corruption. Meanwhile, the erstwhile president of the Institute of Chartered accountants of Nigeria was quick to respond that “several anti-corruption workshops had been hosted by the institute, designed specifically to beam searchlight on a core aspect of the Nigerian economy” (efccnigeria.org, p. 4). Further to that, Francis Ojaide, the defunct ICAN president commented on the forensic certification initiative of the institute that:

“This effort of the Institute is not only timely but also a reaffirmation of its commitment to the war against corruption, fraudulent and other social vices that have impeded the nations march to development” (Obuh, 2012: 1).

With similar mindset, the Association of National Accountants of Nigeria (ANAN) being the second most prominent professional accounting body in Nigeria after ICAN, also articulated its readiness to “partner with the EFCC in order to help in investigating fraud and other financial related crime cases in the country” (Idehen, 2013). It reiterated its resolute when the president of the institute affirmed the its readiness to establish a training institute for forensic accounting and fraud management for security officers in Nigeria and other west African countries (Owuamanam, 2013). Noting further, the president identified the key role of accounting acumen, if synchronized with the investigative training of the security personnel in the fight against corruption menace in Nigeria.

Based on the promises and articulation of the accounting bodies, this study aims at verifying the veracity of their claims by observing their opinions on the efficacious of the EFCC in curbing financial crimes in Nigeria.

## **2.5. Research hypothesis**

Research output is replete with the study of the causes and effects of corruption as well as the fight against it. However, specific interests on anticorruption bodies are very uncommon in academic writing, especially about Nigeria. Otusanya (2011b) reviewed an extensive literature on the obstacle of corruption in developing countries. He identified professionals (accountant and otherwise), financial institutions as well as corrupt government officials as the major players in the development of corruption. He specifically blamed the auditors for laxities regarding the Nigerian banking crisis (Otusanaya & Lauwo, 2010) as banks that were issued clean bills of health by the auditors were among the badly hit. Mobolaji (2012) considers 'augmented expectation' a veritable tool in fighting corruption in Nigeria. He believes:

"that if expectations are rationally formed using all the available information, this could enhance accountability through allocation of stronger weight to the future consequences of a current decision, and thus enhances accountability while reducing discretionary authority and monopoly power, hence reducing corruption" (p. 144).

He thence portended that religion could play a significant role in entrenching the values of 'augment expectation' to respective adherents of such religions. He provided evidences from Islam standpoint. Assessing the efficacy of EFCC on Nigeria's corruption, Malgwi (2004) submits that the results of the commission have very encouraging but may have been outwitted by the enormity of corruption before the establishment of the EFCC. He argues further that: given the right leadership and sufficient time before assessment, will continue to prove, as ever, its effectiveness as a fraud-fighting commission. Adomi and Igun (2007) held similar view with Malgwi (2004) while assessing 'combating cyber crime in Nigeria'. They believe that the EFCC has made commendable efforts in the fight of cyber crimes in Nigeria.

Noting the fact that none of the research outputs adopted the empirical approach to test their claims. More so, the travails vowed by accountants in quest of solutions to lingering corruption crises in Nigeria deserve empirical attention therefore the proposition:

H<sub>0</sub>: Perception of the efficacy of Nigeria's anti-corruption agencies does not significantly differ among accountants in Nigeria.

### **3. Methodology**

The study adopts the positivist approach with the use of a survey design. Survey design is “a research technique in which information is gathered from a sample people using a questionnaire” (Tariq, 2009: 37). In this study, however, the researcher’s interest is in studying the perception of respondents – accountants through the distribution of self-administered copies of a questionnaire on a cross-sectional basis to the selected samples in order to elicit information for the purpose of analysis and making useful deduction therefrom.

Adoption of questionnaire was informed for the fact that it is acclaimed to be a popular means for primary data collection in both quantitative and qualitative research because of its encouragement on the respondents to give detailed answer within the domain of the questions (Cresswell, 2008). A cluster sampling method was adopted as accountants are identified in four pockets of professions namely; public sector accountants/auditors; private sector accountants/ internal auditors, accountants in public practice and; accounting academics. 60 copies of the questionnaires were distributed in each identified classes of accountants making 240 in all. In order to enhance a high response rate, respondents’ absolute anonymity was guaranteed. The questionnaire has only two sections. Section A covers the respondents’ profile including age, academic qualification, professional qualification and profession measured on categorical basis. Section B contains questions on the efficacy of anti-corruption agencies in checkmating financial crimes measured on five-point Likert scale ranging from strongly disagree to strongly agree. The normality of the research data informed the choice of one way ANOVA parametric statistical test with the questions on efficacy of anticorruption agencies being the dependent variable and respondents’ profession representing the grouping variable. A one-way ANOVA is a parametric test which compares the means of three or more groups of cases and reveals whether there are significant differences in the mean scores on the dependent variable across the three or more groups that constitute an independent variable (Field, 2005). However, the research data were not subjected to a post-Hoc test as it revealed insignificant differences among the respondents (see Pallant, 2007).

### **4. Data analysis and interpretation**

#### **4.1. Sample characteristics**

Of 240 copies of research questionnaire that were distributed among the identified classes of accountants, only 140 representing 58.3 percent were returned while the remaining ninety two, 41.7 percent were withheld by the respondents. Eight (8) out of the returned questionnaires were found to be unusable for the analysis.

**Table 2. Respondents' profile**

<b>Description</b>	<b>Characteristics</b>	<b>Frequency</b>	<b>Percentage(%)</b>
<b>Age of Respondents</b>	21-30 years	45	32.1
	31-40 years	68	48.6
	41-50 years	13	9.3
	Above 50 years	14	10.0
	TOTAL	140	100
<b>Qualification</b>	BSC/HND	93	66.4
	PGD	7	5.0
	MSC/MBA	40	28.6
	TOTAL	140	100
<b>Professional qualification</b>	Student member	59	42.1
	Associate member	62	44.3
	Fellow member	5	3.6
	Non member	14	10.0
	TOTAL	140	100
<b>Profession</b>	Accounting Academic	50	35.7
	External Auditor	22	15.7
	Public Sector Accountant/ Auditor		
	Private Sector Accountant/ Auditor	37	26.4
	TOTAL	31	22.2
		140	100

As shown in Table 2, The age grouping indicates that majority of the respondents were in the 31-40 age group with 48.6% while 9.3% of the respondents fall within the age group of 41-50 years. Cumulatively, respondents that fall within the age bracket of 21-40 constitute 80.7% of the entire respondents. This is an indication that majority of the respondents fall within the matured, experienced and active age bracket. In terms of the highest academic qualification, 66.4% of the respondents hold a bachelor degree or Higher National Diploma, 28.6% having a master degree and only 7% holding a Post Graduate Diploma. A depiction of the fact that respondents are very enlightened and educationally exposed to reasonably provide answers to questionnaire items. Further analysis shows that 44.3%, 42.1% and 3.6% of the respondents are Associate members, Student members and Fellow members of their professional accountancy bodies respectively, while only 10% of the entire respondents do not have professional attachments. The high percentage recorded for associate members and student members reflects the level of professional touch in the responses provided to the questionnaire items. More so, majority of the respondents (35.7%) are accounting academic. The highest response rate among accounting academic could not be unconnected with their attachment of importance to research.



## 4.2. Operational data

In order to ascertain if the adoption of parametric statistical analysis would be appropriate for the research data, normality test was conducted with the use data skewness and kurtosis statistics was computed.

**Table 3. Assessment of normality of distribution**

Variables	Skewness	Kurtosis
Respondents' profession	0.213	0.419
Efficacy of anti-corruption agencies	0.024	0.407

It thus reveals that the distribution of the research data is normally distributed and conforms to the use of parametric statistical test of research hypothesis. As shown in the Table 3, the skewness and kurtosis indicate that the data relating to each of the research variables are normally distributed as these values were within the cut of point of -3 and 3 (Peck *et al.*, 2008). In the light of this, the researchers found parametric statistical analysis appropriate in the study.

## 4.3 Hypothesis testing

$H_0$ : Perception of the efficacy of Nigeria's anti-corruption agencies does not significantly differ among accountants in Nigeria.

**Table 4. One way ANOVA results**

Profession	N	Mean	Standard Deviation
Accounting Academic	50	2.8400	1.40495
External auditor	22	3.0909	1.00755
Public Sector	37	2.8919	1.21983
Accountant/Auditor			
Private Sector	31	2.8261	0.88688
Accountant/Auditor			
Total	140	2.9773	1.23230
F-ratio	2.263		
P-value	0.084		

In an attempt to test the above stated hypothesis and achieve the research objective accordingly, a one way between group analysis of variance (one-way ANOVA) was conducted to explore the Nigerian accountants' perception of the impact of anti-corruption agencies in checkmating financial crimes. As shown in Table 4, preliminary analysis of the data revealed that average perception of accounting academics, external auditors, public sector auditors and private sector auditors were

2.84, 3.09, 2.90 and 2.83 respectively indicating high perception in each category on the efficacy of anti-corruption agencies in checkmating financial crimes. In addition the overall average perception of all categories of accountants obtained when collapsing all the items give a mean score of 2.98. Further analysis using one way ANOVA to test the research hypothesis revealed an insignificant difference in the perception of the four categories of accountants at 95% confidence interval with F-ratio of 2.26. Hence the null hypothesis cannot be rejected. The differences in means perception of the four categories of accountants were not statistically significant. However, as depicted in this analysis, anti-corruption agencies may be perceived not efficacious enough in checkmating financial crimes in Nigeria since the overall mean score of the sampled opinion on the dependent variable is 2.98 which is only slightly above the average of the measurement used in the research instrument (i.e. 5, Strongly Agree, 4, Agree, 3, Undecided, 2, Disagree and 1, Strongly Disagree).

## **5. Summary and conclusion**

The fight against financial crime in Nigeria should be one of the priorities of any political administration since perpetrators are devising new ways of committing the crime as evidenced in the recent cases involving the Securities and Exchange Commission, subsidy probe bribe as well as pensioners' retirement benefits scam.

This study conceptualizes financial crimes and its causes and offered the opportunity and defiance theories to provide the rationale for this research. While the opportunity theory explains the reasons that lure people into financial crimes and the necessity of a guardianship in the principal-agent relationship, the defiance theory was used to predict the impact of punitive measures against financial crimes. The theory further portends that, given the influence of highly placed offenders, the dignity, societal bondage and shame inherent in financial crimes may affect the potency of anti-financial crimes measures put in place. More so, the study identified accountants as the research sample, drawing attention to the fact that their expertise is a factor to reckon with in an attempt to curb financial crimes hence, necessitating the discussion of the role accounting profession could play in the discourse of financial crimes as literatures were also reviewed on the major anti-financial crimes institution (EFCC) in Nigeria.

Taking Analysis of Variance (ANOVA) as the statistical instrument, accountants, across various disciplines were used as the grouping variable to test the efficacy of anti-financial crime measure in Nigeria. Although a non-significant difference was found among the perception of accountants, it was concluded that the Nigerian government's anti corruption measure may not have been efficacious enough in combating financial crimes as signalled by the overall mean score. The prophecy of

routine activity theory may come to pass in Nigeria if its anti-graft agencies are not further strengthened. This study may not completely disparage the strength of the guardian (anti-graft agencies) in protecting the targets (populace) from the heinous acts of motivated offenders (corrupt officials), it however found within the limits of the scope of this study, that accountants perceive the guardianship strength not strong enough in combating financial crimes in Nigeria.

On the strength of this conclusion, this study recommends that Nigerian government should strengthen her anti-graft agencies so that it could develop immunity against pressures that may be placed by influential culprits of financial crimes to water down the potency of the agency as has been observed by Sherma (2003) that the dignity and societal bondage of the offender as well as the shame implicit in sanctions may be harnessed by corrupt public officers or political elites to be well equipped against possible shame that may succeed his engagement in corruption while in office.

This study however, encounters a number of constraints which may affect its generalization. These include paucity of relevant literature on the nexus between accounting profession and financial crimes. The available research works on the subject are neither empirical nor easily assessable. This study is also not free from the general problem of lax attitude of respondents towards completing and returning of completed questionnaires. More so, information about fraud and other financial related crimes of government officials are usually confidential and therefore veiled from public glare. This restricted the researcher to the use of publicly available information on the variables of interest.

## References

- Adomi, E.E. & Igun, E.E. (2007) "Combating cyber crime in Nigeria", *The Electronic Library*, vol. 25(5): 716-725
- AICPA (2002) "SAS 99: Consideration of fraud in a financial statement audit", New York: American Institute of Certified Public Accountants Inc
- Aiyede, E. R. (2008) "The role of INEC, ICPC and EFCC in combating political corruption", *Money and Politics in Nigeria* (pp. 39-52), Abuja: International Foundation for Electoral System IFES-Nigeria
- Anonymous (2010) *Nigeria vision 20:2020 (abridged version)* Retrieved June 6 from <http://www.nv2020.org>
- Baxt, R. (1970) "The modern company auditor - a nineteenth century watchdog?", *Modern Law Review*, vol. 33(4): 418-431
- Byington, J. R. & Christensen, J. A. (2003) "How to prevent inventory fraud", *Journal of Corporate Accounting and Finance*, vol. 14(4): 33-39

- Camerer, L. (2007) "South Africa: derailing the gravy train – controlling corruption", *Journal of Financial Crime*, vol. 4(4): 364-372
- ChristainAid (2008) *Death and Taxes: The true toll of tax dodging*, London: Christain Aid Report
- Christensen, J. B. & Blalock, J. (2005) "Sarbanes-Oxley: will you need a forensic accountant?", *Journal of Corporate Accounting and Finance*, vol. 16(3): 69-75
- Cohen, L. A. (1979) "Social change and crime rate trends: a routine activities approach", *American Sociological Review*, vol. 44(4): 588-608
- Creswell, J. W. (2008) "Education research- planning, conducting, and evaluating qualitative and quantitative research", New Jersey: Pearson Education Inc
- Cunningham, L. (2003) "Semiotics, hermeneutics and cash: An essay on the true and fair view", Retrieved December 2, 2011, from <http://poseidon01.ssrn.com/delivery.php?ID>
- Paul. M. (2013) "Pension Scam: Jonathan fires AbdulRasheed Maina", Nigeria: Daillytimes NG
- Dye, K. (2007) "Corruption and fraud detection b supreme indtitutions", Retrieved November 30, 2011, from <http://siteresources.worldbank.org/INTWBIGOVANTCOR/Resources/CorruptionSupreme.pdf>
- EFCC (2014) "For the records: 2013 Convictions", Retrieved June 6 from [www.efccnigeria.org](http://www.efccnigeria.org)
- Fawehinmi, G. (2004) "Probing corruption in Nigeria", Nigeria World, Retrieved 22 December 2007 from: <http://nigeriaworld.com/feature/publication/fawehinmi/012604.html>
- Field, A. (2005) "Discovering Statistics Using SPSS". London: Sage Publications
- FRCN Act (2011) "Financial Reporting Council of Nigeria Act. Federal Republic of Nigerial Official Gazette", Lagos: Federal Government Printer
- Gray, R. & Moussalli, S. (2006) "Forensic accounting and auditing united again: a historic perspective", *Journal of Business Issues*, vol. 2(1): 15-25
- Hanna, R. Bishop, S. Nadel, S. Scheffler, G. & Durlacher, K. (2011) "The effectiveness of anti-corruption policy: what has worked, what hasn't, and what we don't know—a systematic review", London: EPPI-Centre, Social Science Research Unit, Institute of Education
- Harris, C. & Brown, A. (2000) "The qualities of a forensic accountant". *Pennsylvania CPA Journal*, vol. 71(1): 6-7
- Idehen, M. (2013) "ANAN, EFCC, ICPC to partner on financial crimes investigations", Retrieved 2014, October 19 from: <http://nationalmirroronline.net/new>
- Jamal, K. (2008) "Building a better audit profession: align incentives and reduce regulation", *Accounting Perspectives*, vol. 7 (2): 123-126
- Khan, M.M. & Al-Hilali, M.T. (1999) "The Noble Quran: Interpretation of the Meanings of the Noble Qur'an in the English Language", Riyadh: Dar-us-Salam Publications

- Kpundeh, S.J. (1998) "Political will in fighting corruption", New York: Corruption and Integrity, Improvement Initiatives in Developing Countries, UNDP, OECD
- Lannacci, J. A. (2000) "Access device fraud and related financial crimes", Washington: CRC press
- Malgwi, C.A. (2004) "Fraud as economic terrorism: The efficacy of the Nigerian Economic and Financial Crimes Commission", *Journal of Financial Crime*, vol. 12 (2): 144-164
- Mobolaji, H. I. (2012) "Fighting Corruption: an expectation augmented approach", *Humanomics*, vol. 28 (2): 133-147
- Obuh, P. (2012) "Anti-corruption war: ICAN certifies 125 members as forensic accountants", Nigeria: The Vanguard
- Odinkalu, C. A. (2010) "Corruption and Governance in Africa: How do we break the Cycle in Nigeria?" By Chidi Anselm Odinkalu. In CLEEN Foundation, "Corruption and governance challenges in Nigeria (pp. 14-42), Lagos: Cleen Foundation
- Ogbeidi, M. M. (2012) "Political Leadership and Corruption in Nigeria Since 1960: A Socio-economic Analysis", *Journal of Nigeria Studies*, vol. 1(2): 1-25
- O'Leary, J. J. (1990) "The auditor's responsibility to detect errors, irregularities, and illegal acts by clients", *Journal of Corporate Accounting and Finance*, vol. 1(3): 239-253
- Oruene, T.O (2007) "Corruption in Nigeria: A cultural phenomenon", *Journal of Financial Crime*, vol. 5(3): 232-240
- Osborne, D. (2007) "Deciding to fight corruption", *Journal of Financial Crime*, vol. 7(1): 26-35
- Otusanya, J. A. (2010) "The role of auditors in the Nigerian banking crisis", *Accounting Business and the Public Interest*, vol. 9(1): 159-204
- Otusanya, O. (2011) "The role of multinational companies in corrupt practices: the case of Nigeria", *International Journal of Critical Accounting*, vol. 3(2): 171-202
- Otusanya, O. (2011b) "Corruption as an Obstacle to development in developing countries: A review of literature", *Journal of Money Laundering Control*, vol. 14(4): 387-422
- Otusanya, O. J. (2012) "An investigation of the financial criminal practices of the elite in developing countries: Evidence from Nigeria", *Journal of financial crime*, vol. 19 (2): 175-206
- Owuamanam, J. (2013) "ANAN to introduce forensic training against financial crimes", Retrieved 2014, October 19 from: <http://www.punchng.com/news/an-an-to-introduce-forensic-training-against-financial-crimes>
- Pallant, J. (2007) "SPSS Survival Manual", Berkshire: McGraw-Hill

- Pogeson, I. (2009) "Globalization and anti-corruption reform in Nigeria: 2003-2007", In D. Enweremadu, & E. Okafor, "Anti-corruption reforms in Nigeria since 1999: Issues, Challenges and the Way forward", Ibadan: IFRA Special Research Issues
- Ramos, M. (2003) "Auditors' Responsibility for Fraud Detection", *Journal of Accountancy*, vol. 195(1): 28-35
- Sarbanes-Oxley Act (2002) Retrieved 2014, January 17 from: <http://www.sec.gov/about/laws/soa2002.pdf>
- Sherman, L. (1993) "Defiance, deterrence, and irrelevance: a theory of the criminal sanction", *Journal of Research in Crime and Delinquency*, vol. 30(4): 445-473
- Sikka, P. & Hampton, M. (2005) "The role of accountancy firms in tax avoidance: some evidence and issues", *Accounting Forum*, vol. 29(3): 325-343
- Sikka, P. & Willmott, H. (1995) "The power of 'independence': defending and extending the jurisdiction of accounting in the UK", *Accounting, Organizations and Society*, vol. 20(6): 547-581
- Transparency International (2000) "TI Sourcebook. Confronting corruption: The elements of a national integrity system", Berlin: Transparency International
- Vermeulen, G. (2007) "European Union: The Fight against International Corruption — Modelling the Member States' National Laws through Multilateral Anti-Corruption Instruments?" *Journal of Money Laundering Control*, vol.1(1): 79-84
- Waziri, F. (2010) "Chairman's Opening Remark on Corruption and Governance Challenges in Nigeria", Lagos: CLEEN Foundation