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Accountants' Ethics and Fraud Control in Nigeria: The Emergence of a Fraud Control Model

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Abstract
This paper examined the influence of accountants' ethics on fraud control. Data were drawn from a review of the literature on ethics and fraud. Using content analysis, major ethical considerations, fraud risk factors, control procedures and the effects of internal control system on fraud detection in Banks were identified. Scholars reached a conclusion in which fraud and fraudulent activities are found to have inflicted severe financial difficulties on Banks and their customers. However, findings indicate that the national value system greatly moderates the extent to which ethics, illustrating from the accountants perspective minimises fraud. Consequently, a fraud control model was developed highlighting the national value system factor in fraud management. The people's behavioural pattern and philosophy anchored on ethical considerations should reflect honesty, integrity and value of knowledge. This will enhance productivity and good corporate governance. In this manner, fraud will be reduced.

1.0 Introduction

Accountants by their training are expected to demonstrate sufficient professional conduct in the discharge of their functions either as practicing accountants or as employees of organization. These professional conducts are governed by ethics which dictate professional behavior. Accountants constitute major custodians of organization resources. It is important to reflect a protective disposition in daily assignments alongside the requirements of ethical practices. In this perspective, controls to safeguard resources and reduce fraudulent practices will be enhanced. Though, strategies to control/minimize fraud could range from adequate remuneration and motivation of workforce, demonstration of exemplary leadership by management staff to implementation of relevant legislations (Abiola & Oyewole, 2013: 141 – 152), accountants on whom managers, owners, and potential investors rely to make economic decisions based on information supplied by them (Stoniciuviene & Naujokaitience, 2013: 106 – 115) are expected to be courageous and demonstrate high- level professional competencies and ethical conduct.

1.2. Empirical Review

G.F. Kermis & M.D. Kermis (http://www.aabri.com/copyright.html) see the auditing situation as having left the accounting profession, client, auditor, regulators and society in a context immersed in ethical conflicts and dilemma. In their opinions, accounting education at undergraduate and postgraduate levels should produce leaders who will be honest, trustworthy and of ultimate personal integrity. Stonciuviene & Naujokaitience (2013: 106 – 115) analysed the models of professional ethical behaviour presented in scientific literature and used for empirical studies including the likelihood of assessment of accountants professional ethics in the context of their virtues and environment, selected the virtues of accountants and environmental factors having an influence on accountants' motivation to behave ethically/unethically and evaluated the importance of these factors for the ethical behavior of professional accountants. From findings, ethical behavior perceived by accountants is predetermined by their virtues (asense of duty, integrity, fairness, attentiveness, independence and self- confidence). In addition, neither a working environment of accountants nor knowledge of the code of ethics for professional accountants predetermined ethical behavior. In another development,Nwanyanwu (2010: 82 – 87) studied observed and expected acceptance of the significance of professional ethics in accounting practice. From Results, ethical standards are significant in accounting practice.

On the other hand, Pan, Seow, Suwardy & Gay (2011: 138 – 178) did a content analysis of 56 articles on fraud and developed three fraud themes: (1) factors, motivations and antecedents of fraud, (2) auditors role in fraud detection and prevention and (3) information technology fraud. Agenda for future research were suggested (1) as a result of growing complexity and creativity in financial markets and white – collar crimes, some fraud may not have fully captured the antecedents and factors of fraud such as new psychological and sociological antecedents (personality and behavioral traits) to fraud. Future research, therefore, should investigate what additional undiscovered or undefined personality and behavioral antecedents can assist describe fraudsters. (2). With respect to auditor's responsibility in fraud detection and prevention, some studies concur while others disagree emphasizing greater role by the auditor in fraud detection and prevention. Future research as put forward by Karin & Siegel (1998) and Payne & Ramsay (2005) suggest examining the decision making process of auditors to identify factors aside the role of audit experience, that may raise the level of auditor's professional incertitude as well as investigate the extent of influence, contextual and cultural differences may have on fraud prevention and detection. (3) in the area of information technology fraud, despite discussion of their types, their classification remains inconclusive. They suggest future research should consider developing a classification of internet frauds and their respective consequences.

Abiola & Oyewole (2013: 141 – 152) focused on the evaluation of the effects of the internal control system on fraud detection in selected Nigerian Commercial Banks. Results document difficulty in eradicating fraud. However, adequate remuneration and motivation of employees, exemplary leadership disposition by managers and implementation of relevant legislations on crimes could minimize it. Similarly, Amara, Amar & Jarboui (2013: 40 – 51) tested the impact of the fraud triangle elements on the detection of fraud in financial statements of 80 French companies for the periods 2001 – 2009. The performance issue exerted on the manager was found to constitute pressure culminating to committing of fraud in the financial statements. Other factors such as financial difficulties (debt, liquidity) and size of auditing firm were not associated with the detection of fraud. Gbegi &

Adebisi (2013: 129 – 138) undertook a study which aims at broadening forensic accountants' knowledge about fraud and why it occurs. The study proposed a new Fraud Diamond Model which includes motivation, opportunity,personal integrity, capabilities and corporate governance. Conclusions reached suggest the need for forensic accountants to understand the opportunity for fraud through the new fraud diamond model. This will help them in identifying and investigating which fraud schemes an individual can commit as well as in effectively assessing fraud risk.

The role of auditors in the detection, prevention and reporting of fraud (John, 2010: 1 – 10) revealed expression of much concern by respondents about the problem of fraud, placing high expectations on auditors' duties on fraud prevention and detection. An evaluation of the impact of fraud and fraudulent practices on the performance of Banks in Nigeria for the periods 2001 – 2011 (Chiezey & Onu, 2013) reached a conclusion in which fraud and fraudulent activities are found to have inflicted severe financial difficulties on banks and their customers. Modugu & Anyaduba (2013:281 – 289) report significant agreement amongst stakeholders on the effectiveness of forensic accounting in fraud control, financial reporting and internal control quality. Popoola, Che - Ahmad & Samsudin (2014: 216 – 224) discussed the impact of task performance, fraud risk assessment and forensic accountants and auditors' skills and mindsets in the Nigerian public sector. In their views, performance measurement can be Improved considering the impact of forensic accountants skills and mindsets on fraud risk assessment in the Nigerian public sector.

These extant studies did not consider the influence of accountants' ethics on fraud control in Nigeria. The present paper closes this gap by empirically investigating the influence of accountants ethics on fraud control in Nigeria, with the development of what constitutes a fraud control model. The next sections will discuss literature review and methodology. Others are the discussion of findings, development of a fraud control model, conclusion and recommendations.

2.0. Literature Review

2.1. Theoretical Framework

This paper associates fraud with the theory of Broken Trust and explains accountants' ethics from the point of view of the Framework for International Education Standards Board (IAESB). Trust is the hypothesis that under uncertainty and in contingent situations, the person enjoying the confidence will be based on rules of behavior that is considered acceptable, Bidault & Jarillo, 1995 in Amara *et al* (2013). Also, in an economy where economic agents trust each other, the risk of fraud will not exist despite that business transactions and contracts attract gains.However,this trust can be broken or manipulated by the introduction of fraud in the management of businesses (Amara, *et al*, 2013). The Broken Trust theory argues that fraud is perpetrated by those in authority and positions of trust with the capabilities and knowledge of manipulating accounting and internal control systems. Empirical findings by Albrecht *et al* (2008) indicate a positive relationship between trust and fraud.

In another dimension, suggestions are that accountants should be developed along the lines of being conscious of the moral aspects of the ethical predicaments they confront in their duties (IAESB). Senaratne (2013) dovetails with the Framework for International Education Standards for professional accountants (2009) that the aim of accounting education should be to develop competent professional accountantswith the necessary professional knowledge, skill and values, ethics and attitudes. Corroborating with this position, Stephens *et al* (2012) asserts that an understanding of the moral implications of actions is essential to propel the accounting profession beyond the rules – based method of legislation developed to improve behavior without considering the failed moral and ethical background of the profession.

2.2.Background on Accountants Ethics

Demonstration of ethical practices by accountants constitutesmajor input of services rendered to clients. As stated byPonemon (1988), ethics is the cornerstone of public accounting practice. Similarly, ethics in accounting profession indicate generally accepted code of conduct basically designed to promote good the professional practice, integrity as well as strong commitment to high standards in dealings with clients (Owolabi 2002: 25). Ethics education for accountants has become a necessity, particularly because of failed/ collapsed corporate bodies - Enron, Worldcom and Arthur Anderson etc (H.O. Rockness & J.W. Rockness, 2010: 88 – 104). These corporate collapses resulted in lack of confidence in financial data. The situation persuaded the USA Congress to enact the Sarbanes – Oxley (SOX) Act in 2002 and the creation of the Public Company Accounting Oversight Board (PCAOB) aimed at renewing commitment for accountants to have ethics education to enhance chances of making ethical decisions in the face of difficult choices (Kermis & Kermis,http://www.aabri.com/copyright.html).

Nigeria is not left out in corporate crimes. Cadbury Nigeria Plc lost 15 billion Naira due to manipulation of its books by management (Modugu & Anyaduba, 2013: 281 – 289). Unethical behaviors and compromises by accountants are contributory to these corporate failures. According to Staubus (2005), accounting failures are failures of individuals to execute their fiduciary duties, to fulfill their responsibilities to behave ethically. This failure by accountant to behave ethically on the quandary they confront in their functions (Senaratne, 2013) may make them take wrong decisions. In this direction, a comprehension of the moral dimension of actions taken is essential to propel the accounting profession beyond establishment of rules to enhance attitudes without considering the failed moral and ethical aspects of the profession (Stephens, Vance & Pettigrew, 2012).

Though, accountants have been criticised as contributing to moral decadence in organization, the resolve to comply with management decisions towards achievement of objectives may conflict with professional ethics. Business adopts the principles of ethics in the achievement of strategic goals and accountants as experts in business (Stonciuviene & Naujokaitiene, 2013: 106 – 115) working towards that goal may behave in a manner inconsistent with their moralprinciples, when in fact, the profession requires adherence to ethical requirements. Accountant's moral judgment and virtues constitute decisive factors in thedemonstration of ethical behavior.

2.3.Accountants' Ethics

The ethics of accountants as produced by the Institute of Chartered Accountants of Nigeria (ICAN) (2000) which constitute the roles of professional conduct are in form of fundamental principles. They represent the duties owed by members of the profession (in practice and as employees of organization) to the public. They are integrity, objectivity, professional competence, due care and diligence, confidentiality and professional behaviour.

2.3.1. Integrity

Integrity implies honesty and truthfulness in all professional business and financial relationships. It is a major component of accountants ethical behavior. In the views ofde

Cremer, Mayer & Schminke (2010), integrity is a principle, whose practical application determines knowing the direction of ethical behavior.

2.3.2. Objectivity

Objectivity is the state of mind which has regard to all considerations relevant to the task at hand but no other (ICAN, 2000). This concept permits the accountant to resist pressure, undue influence and exercise the high level of independence in professional assignments.

2.3.3. Competence

It is unethical for accountants to accept the assignment which they cannot competently execute. This virtue emphasizes the need for academic and professional training for accountants. According to Uysal (2009), professional competence is the key principle which interests scholars in the code of ethics for professional accountants. This is becauseit constitutes a source of justifying requirements established for accounting professionals.

2.3.4. Due care and Diligence

This implies reflection of a sense of duty, accuracy and attentiveness in professional assignments (Stonciuviene & Naujokaitiene, 2013: 106 – 115). A professional accountant should exercise due care, skill and diligence, taking into consideration, technical and professional standards expected of him (ICAN, 2000).

2.3.5. Confidentiality

Confidentiality dimension of accountant’s code of conduct prohibits disclosure of information about their clients or employers without permission. This principle enforces maintenance of loyalty in all engagements (Spalding & Oddo, 2011).

However, where situations give rise to the public duty or legislation to disclose information in accountant’s possession, the adequate discussion should be made with those affected.

2.3.6. Professional Behaviour

The foregoing ethical rules will earn no respect for the accountant if they are not accompanied by good behavior. It is, therefore, important to be courteous and considerate to every person encountered in the performance of functions.

2.4.Theoretical Background of Fraud

Fraud has become a major concern to national economies. Its tricks have destroyed trust in business, government and family relationships. It is initiated through deceit, concealment of truth, pretense and misrepresentations with the intention to cause loss of property, money or other valuables. Specifically, fraud is the intentional and material misrepresentation of one or more material facts with the intent of taking property from a victim (Hopwood, Leiner & Young, 2012). It results when a perpetrator communicates false statements with the intent of defrauding a victim of property or something of value (L. Vasiu & I. Vasiu, 2004).

Losses arising from fraud are enormous and constitute major drain on the economy of nations. For example, estimated annual losses from fraud in USA (Wilhem, 2004) are put at \$67b (insurance) \$150b (Telecommunications), \$1.2b (Banks), \$40b (money laundering), \$5.7b (Internet) and \$1b (Credit card). In Nigeria, losses due to the connivance of Bank employees (NDIC, 2011) amount to N900m, while that of Cadbury Nigeria Plc occasioned bymanipulation of books by management is N15b. The story is not different in the United Kingdom. According to the National Fraud Authority Annual Fraud Index (NFAAFI) 2011, public sector fraud is£21.2b, private sector £12b, individuals £4b and charity organizations £1.2b. Nations are expected to develop strategies for arresting this cankerworm called fraud; otherwise, the pain it conveys will reduce economic growth and discourage productivity.

2.4.1. Causes of fraud

Factors that cause or motivate occurrence of fraud can be traced to the existence of unsatisfied motives or objectives in individuals and organizations. Such objectives which could be financial or material in nature build pressure culminating into the commissioning of fraud. Cressey's(1953) fraud trianglemodel identified fraud risk factors as comprising pressure, rationalization and opportunity. See figure 1.

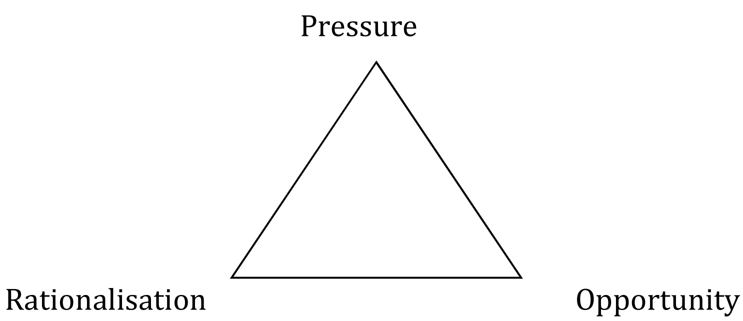

Figure 1. Fraud Triangle. Donald Cressey (1953).

The components of the fraud triangle attracted the attention of scholars and different explanations were put forward. Rae & Subramaniam (2008) describe pressure as employee's motivation to commit fraud due to greed or financial pressure. Continuing, they viewed the opportunity as referring to a weakness in the system in which the employee is in a position to manipulate, while rationalization is the justification to commit fraud, ignoring personal integrity and other moral situations. Pressure could be financial or non-financial (W.S. Albrecht, C. Albrecht & C.C. Albrecht, 2008).Examples of financial pressure include personal financial losses, reduction in sales, lack of ability to compete with other organizations, greed, living beyond means, personal debt, poor credit, the desire to meet short – term credit crises, lack of ability to meet financial projections and emergency financial needs.

Further, they identified nonfinancial pressure as the need to report favorable results than achieved and frustration with work. According to them, rationalization that can contribute to the commission of fraud by executives include the desire to keep the stock price high and manipulation of accounting practice.On the other hand, opportunities to commit fraud include the existence of weak board of directors, circumvention of controls that prevent/detect fraud, failure to prosecute fraud perpetrators, lack of access to information and lack of audit trail (Albrecht *et al*, 2008).

Cressey's (1953) fraud triangle was criticised as an insufficient tool to deter, prevent, investigate and detect fraud (Albrecht *et al*, 1984, Wolfe and Hermanson, 2004, Dorminey, Fleming, Kranacher & Riley, 2010). As an alternative, the fraud scale model (Albrecht, Howe & Romney, 1984) replaced rationalizationwith personal integrity which is mainly associated with financial reporting fraud where sources of pressure are visible; example sales projections, management's earning expectations, profit growth pattern etc. In addition, Wolfe and Hermanson's (2004) fraud diamond model injected a forth variable "capabilities" to the fraud triangle. The fourth variable was based on the hypothesis that somebody without the capabilities is unable to implement a fraud despite opportunities available. In that direction, they noted the following characteristics which must exist for fraud to be committed: authoritative position or function within an organisation; ability to understand and manipulate the accounting and internal control systems; conviction of not being able to be detected and if eventually detected, has the capability to escape unharmed and ability to handle any stress or inconvenience arising therefrom. Figure 2 presents the fraud diamond.

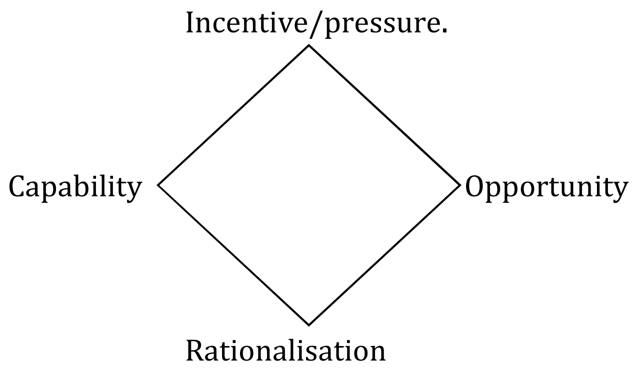

Figure 2: The Fraud Diamond Model

Source: Wolfe& Hermanson (2004)

As it was for the fraud triangle, the fraud diamond model was criticised by Gbegi & Adebisi (2013) as inadequate to investigate, deter, prevent and detect fraud. In their opinion, incentive/pressure and rationalization cannot be observed.Also, some essential factors – national value system and corporate governance were neglected. Consequently, they developed "the new fraud diamond model" where motivation was expanded and identified with key factors built into an acronym: NAVSMICE representing national value system (NAVS); Money (M), Ideology (I),Coercion (C) and Ego (E)

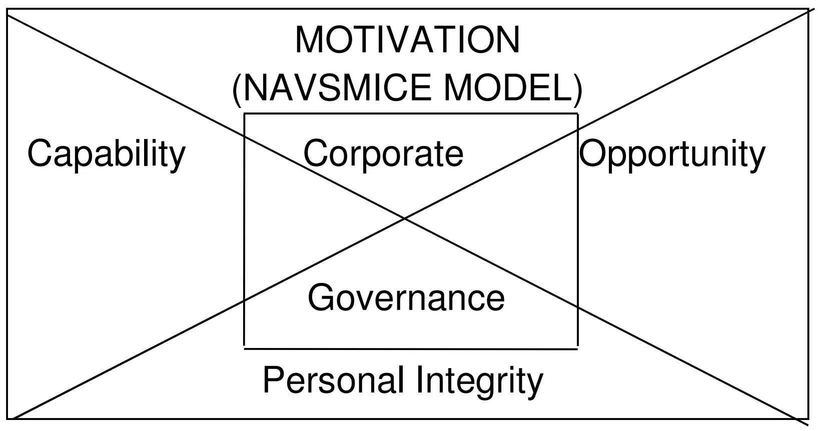

Figure 3. The New Fraud Diamond Model

Source: Gbegi & Adebisi (2013).

The model replaced rationalization with personal integrity and introduced a new factor – corporate governance. They maintained that an individual's personal integrity can be observed and assessed through the commitment to ethical decision making and thus the likelihood of committing fraud. In addition, the missing gap in Nigeria, according to them is corporate governance which as stated by Okoye (2011) is an indication of fraud occurrence. Good corporate governance is a barrier to all avenues for committing fraud. Its theme encompasses accountability and transparency. The desired change in Nigerian leadership (Gbegi & Adebisi, 2013) can be achieved by promoting good corporate governance through integrity, accountability and transparency culminating in the installation of the strong internal control system capable of discouraging fraud.

2.4.2. Classification of Fraud

Fraud categories depend on their nature and characteristics. It could be external, internal or a permutation of both, in which case, it is mixed (Karwai, 2002; Ajie & Ezi, 2000). External fraud is those committed by outsiders against an organization, internal fraud relate to thoseperpetrated by staff and directors while mixed fraud is perfected by a combination of staff and outsiders against an organization. However, fraud is categorized into three: employee, management and external fraud.

Employee fraud is perpetrated by staff members below management position and involveoutright misappropriation of assets or the alteration of individual instruments example, cheques, drafts for their personal advantage (Abiola & Oyewole, 2013).

On the other hand, management fraud (Jat, 1992 cited in Abiola & Oyewola, 2013) are those committed by top management staff aimed at misleading the shareholders, auditors and regulatory agencies through the intentional presentation of inaccurate financial reports by concealing inadequate business operation performancesand prohibited business activities. External frauds are perpetrated by outsiders organization against individuals, individuals against organization, organization against organizationand by individuals against individuals (Abiola & Oyewole, 2013). The foregoing classifications of fraud are homogenous for organisations, their nature and characteristics notwithstanding.

2.5. Fraud Control

Accounting literature documents several approaches to controlling fraud, none is conclusive as they differ according to the feature of the fraud and environment of commission. However, instituting and implementing internal control systems and State legislations, play the prominent role in their control. Specifically, establishment of institutional structures such as external audit, internal audit, anti–fraud agencies/legislations and audit committees assist in curbing the rate at which fraud is committed.

Sikka (2004) cited in Pan *et al* (2011) identified external audit as a trust-engendering device, failure of which may weaken confidence in corporate governance. Thus effective external auditmechanisms are established to discourage fraud and increase the confidence of investors in organization Similarly, a properly instituted internal audit department helps to control fraud. From the views of Pan *et al* (2011), the role of internal auditors is important because they add value by improving the control and monitoring environment in organizationo detect and report fraud.

Also, the establishment of anti–fraud agencies and legislations constitute essential media in fraud control. In Nigeria, anti–graft agencies such as Economic andFinancial Crime Commission (EFCC), Independent Corrupt Practices Commission (ICPC), Code of Conduct Bureau (CCB) and Code of Conduct Tribunal (CCT) have the powers to arraign, investigate and prosecute fraud perpetrators. Other legislations established to guide against fraud are Fiscal Responsibility and Public Procurement Acts of 2007. In essence, laws are vital in fraud control. It is thus, important to prosecute offenders as a way of deterring others from engaging in the act. As stated by Sikka (2008), an environment of poor legislation, enforcement and absence of ethical constraints, the infrequent investigations by financial regulators may not prevent fraud perpetrators from committing fraud. In addition, organizations should adopt punishments such as suspension from work/dismissal of affected employees and refunds of amounts allegedly stolen.

Establishment of audit committees as part of corporate governance also serves as a check on fraud perpetration. However, the effectiveness of audit committees (Mustafa & Youssef, 2010) in mitigating misappropriation of assets is a function of the financial expertise of the members.

2.6. Contextual Variable

Though, motivation/pressure on individuals/organizations (internal and external) has been identified as a major source of fraud (Cressey1953, Wolfe& Hermanson 2004), the value system of the people, is infact, an overriding factor (Gbegi & Adebisi 2013). This paper sees it as contextual or moderating the influence of accountants' ethics on fraud control. Achenbaum (1983) describes value as any discrimination of importance as to priority or degree, made by individuals and held over time. According to Kermis & Kemis (http://www.aabri.com/copyright.html), a value is a long standing choice that dictates belief, action or commitment.

The people's value system dictates their behavior and response to any stimulus. Our society's (Nigeria) value system is characterized by the desire to acquire wealth at the expense of good governance. Corroborating this view, Gbegi & Adebisi (2013: 135) reported that Nigeria's national value system is not good, little or no premium is put on things such as honesty, integrity and good character. According to them, the society does not question the source of wealth, whoever stumbles into wealth is instantly recognized and honored ; it is a fact of our time that fraud has its root firmly anchored in the social setting where wealth is honored without questions. Nigeria is a materialistic society (Gbegi & Adebisi, 2013: 135) which to a great extent encourages fraud.

In a study assessing the impact of fraud on Banks in Nigeria, Idowu (2009), identified factors immediate and remote to the environment as contributory. Drawing evidence from the work of Ogunka (2002), these factors are visible in the penchant to get rich quick, slow and tortuous legal process, poverty and the widening gap between the rich and the poor, job insecurity, peer group pressure, societal expectations, increased financial burden on individuals and stiff competition in the banking industry which saw many banks engaging infraud in order to meet up with liquidity and profitability objectives. Similarly, Ebong (2005) identified the drive to commit fraud as a way of easy acquisition of money and property which, in today'ssociety, translate to recognition and power.

Nigerian's value system is so degrading and capable of dislodging any machinery configured to counter fraud. This is because it has eroded good character, honesty, integrity and hardwork. Any model developed in which accountants ethic is made sensitive to fraud must recognize national value system.

3. Methodology

This study is qualitative in nature.Data were collected through content analysis of some journal articles on ethics and fraud.Pan *et al* (2011) in their research on fraud, performed the content analysis of 56 accounting and management journal articles.The present work reviewed twenty (20) articles, eight (8) on ethics and twelve (12) on fraud. Major issues identified from the articles reviewed, subdivided into those on ethics and frauds are thus:

Issues on ethics	*Aurthors*
(a).Professional competence, Integrity, fairness Independence, self –confidence, attentiveness	(1).Stoniciuviene& Naujokaitience (2013) (2).de Cremer *et al* (2010) (3).Uysal (2009)
(b). Confidentiality	Spalding & Oddo (2011).
(c).Honesty and trustworthy	Kermis&Kermis (http:llwww.aabri.com/copyright.html)
(d) Significant public accounting practice, Cornerstone of public accounting practice	(1). Nwanyanwu (2010) (2). Ponemon (1988)
(e).Commitment to high professional standards.	Owolabi (2002)
Issues on fraud	
(a) (i) Fraud risk factors Motivation/pressure, rationalisation, Opportunity, capability	(1).Cressey (1953) (2).Rae & Subramaniam (2008) (3).Albrecht *et al* (2008) (4).Wolfe & Hermanson (2004)

(ii) Motivation (national value system, money, ideology, coercion, and ego), opportunity, personal integrity, capabiity, corporate governance.	(1). Gbegi & Adebisi (2013). (2) .Okoye (2011).
(b). *Types of fraud* employee, management and external fraud	(1) .Karwai (2002) (2). Ajie & Ezi (2000) (3). Abiola & Oyewole (2013)
(c) *Fraud Control*. external audit, internal audit, anti- fraud agencies/ Legislations, audit committees	(1). Pan *et al* (2011) (2). Sikka (2008) (3). Mustafa & Youssef (2010)

4. Discussion of Findings

The articles reviewed indicate that ethicalconsiderations in the areas of professional competence, integrity, independence and honesty if the imbibed result in high professional standards capable of reducing fraud from the perspective of accountants. These ethical considerations as documented by Nwanyanwu (2010) and Ponemon (1988) are significant as well as constitute the cornerstone of public accounting practice.

Motivation/pressure, rationalization, opportunity and capability were identified as fraud influencing factors. Findings disclose that the most arousing variable is the eroded national value system evidenced by the desire for money, ideology, coercion and ego. Accentuating this fact, is the poor corporate governance prevalent in the nation's political system.

Fraud types range from employee, management to those external to the organization. Whereas employees and management who are inside engage in acts that lead to losses, external agents either in their sole capability or in connivance with staff also defraud organization. But, given the existence of efficient accounting and internal control systems, external frauds are difficult to perpetrate in isolation of organizationmembers. Drawing from this assertion, employees characteristics are essential in instituting avenues for detecting and preventing fraud.

However, fraud control measures documented in accounting literature include establishment of external audit, internal audit, and anti – fraud agencies/legislations and audit committees. The efficiency of these control apparatuses depend on compliance with established corporate and professional ethics, particularly those of accountants who are charged with the responsibility of reporting and managing the resources of organizations. In the light of theoreticalfindings in which the national value system has tended to be more apparent as a fraud inducement variable, the development of a fraud control model incorporating the people's value orientation has become necessary.

5. The Fraud Control Model

The implication of this study is abstracted in the fraud control model. Professional ethics (drawing illustration from accountants) is believed to have the capacity to minimise or eliminate fraud in our environment. Whereas accountants ethics are able to encourage fraud control, its effort is weakened by the pressure the national value system as represented by the double arrows mounts on it. The arrow from accountants' ethics to fraud control is undulating as a consequence of its inability to resist the people's value system which places emphasis on materialism arising from the desire for money, ego, power, coercion, ideology and greed.

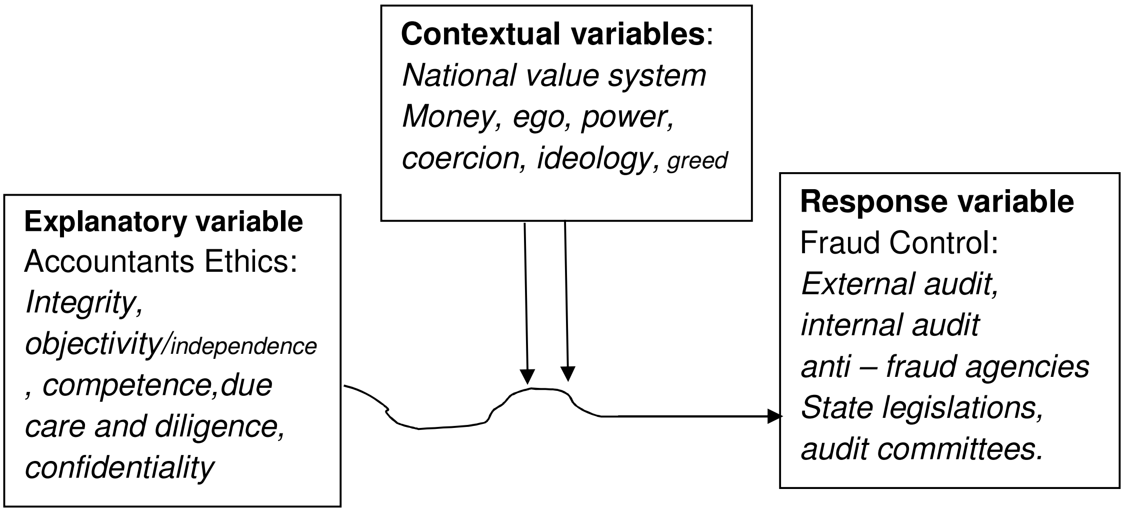

Figure 4. The Fraud Control Model

Several fraud control measures including corporate regulations, enactment of Acts and establishment of fraud control agencies (EFCC, ICPC, Anti money laundering Act, CCB, CCT, Fiscal Responsibility and Public Procurement Acts) have been established, the weight of the eroded value system makes these machinery look like a mirage. Though, little achievements have been made, until the national value system is restored, reflecting integrity, honesty, regard for productivity, knowledge and creativity, love for the nation and fear of public fund, attainment of good corporate governance and elimination of fraud remain an illusion.

6. Conclusion and Recommendations

Professional ethics from the perspective of accountants has the capacity to ameliorate fraud taking into consideration the national value system. In addition, fraud control measures may be unproductive without an improvement in the eroded national value system. This study is therefore significant as it has contributed to literature on fraud from the dimension of accountants ethics, highlighting the value system factor in Nigeria.

Organisations should be circumspect in staff recruitment to properly expose their characteristics beforeengagement. This will reduce the risk of employee fraud. In the same vein, staff should be adequately motivated (in terms of the condition of service) to guide against management fraud and possible connivance with third parties external to the organization. Though, attention was focused on accountants' ethics, behavioral patterns and philosophy of institutions (private and public) greatly explain variations infraud control. In our environment where elected and politicaloffice holders are the highest paid group, more, from the taxpayers'resources, is fraudulent, unethical and discourages productivity. Unless this trend is reversed, good corporate governance will continuously elude the people.

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