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RESEARCH ARTICLE

WHISTLE-BLOWING AND FINANCIAL MALPRACTICES IN THE BANKING INDUSTRY IN NIGERIA

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ABSTRACT

This study evaluated how whistle blowing could impact fraud in the Nigerian banking system. At the outset, three variables were examined: the amount of money involved in fraud cases, total bank assets in the banking system, and corporate governance, as well as their effects on the Nigerian banking system's whistle blowing policy. This study employed secondary data from 1990 to 2020 and evaluated it using the Johansen co-integration and the Vector Error Co-integration Model. The Johansen Co-integration demonstrated that the independent factors and the dependent variable have a long-term relationship. All of the tree independent factors were positively significant in effecting the dependent variable both in the short and long term, according to the Vector Error Co-integration Mode. The study concluded that rules such as whistleblower rewards and hidden identity are necessary to decrease fraud in the Nigerian financial system.

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INTRODUCTION

In the nineteenth century, the term "Whistle blower" was first employed. The phrase is made up of two words: the first is "whistle," which refers to a device used to alert or attract attention, and the second is "blower," which refers to the person who issues the alert by blowing the whistle. Whistle-blowers are devoted employees who work in the best interests of businesses by supporting them in conforming to legal and ethical standards. According to Ajayi (2021), financial crime in Nigeria has reached an all-time high, necessitating immediate action to halt this heinous trend. Corruption is a phenomenon so difficult to identify, yet it percolates every structure of society (Okolo and Raymond, 2018). "Corruption would kill us if we do not kill corruption," President Muhammadu Buhari said during his Independence Day speech on October 1, 2016 (George, 2016). According to Ajayi (2021), corruption is dishonest action by a person at any level of a society or organization, from the top to the lowest, such as managers or employees. Whistle blowing, on the other hand, arose in Nigeria as a result of the country's worsening financial crisis. Financial malpractice in banks refers to actions that go against established laws and regulations, as well as societal norms (Folowosele, Ikpefan, & Isibor, 2022). In December 2016, the federal ministry of finance in Nigeria implemented a whistle-blowing policy that was approved by the federal government to aid in the sharing of information about financial rule violation, misappropriation of public funds and assets, financial malpractice, and fraud (Agba, 2017). According to Dele (2019), the banking system remains critical to the entire economy. The banking sector is one of the most regulated industries; stillit is opened to all sorts of insider abuse right under the watch of the regulators (Ogunwale, Ikpefan, Isibor, Osuma, & Owolabi, 2021). However, if the general public, staff and employees take an action to protect the banking sector through the whistle-blowing policy and not leave it in the hands of the Central Bankof Nigeria, National Deposit Insurance Corporation and their auditors although it's their primary responsibility, it would be of immense benefit to the Nigerian economy as a whole. The beauty of a whistle-blower, according to Honsono (2019), is that they serve to bring light to a dark situation or raise attention to fraud or suspicious transactions. As a result, whistleblowers are protected under the policy from harassment or intimidation by theiremployers or bosses. Recent studies according to Williams (2021) have revealed that the banking industry crisis is a result of banks' non - compliance with the code of conduct provided for banks when they are granted their operating license. Most bankers have thrown ethics to the wind and allowed themselves to be consumed by greed, which is harmful to banks' reputations as well as the protection of depositor funds. Bank malpractice, according to Ikpefan (2020), is defined as behaviors that violate rules and regulations as well as societal norms. According to Ajayi (2021), malpractice in the banking sector is on the increase, with actions such as the deliberate erroneous computation ofinterest payable on a customer's deposits, Excessive charges on current accounts, and so on. Also, whistleblowers' persecution in many parts of the world has become a severe issue which is one of the reasons why financial malpractice is on the increase. Whistleblowers are usually numb to financial crimes because they on a regular basis face retaliation, sometimes at the hands of the organization or groups they have accused. Whistleblowers risk being fired, stigmatized, or being demoted.

Even though whistleblowers are frequently protected by law from employer reprisal, there have been several incidents of employers punishing employees for blowing the whistle, including termination, suspension, income garnishment, and harsh abuse. Herve Falciani, a French-Italian whistle blower, was imprisoned in Spain in 2007. When Falciani worked as a computer scientist at a Swiss spin-off of HSBC in 2006 and 2007, he was one of the first to expose global tax fraud. The fact that he is still being sought after more than a decade demonstrates the long-term consequences of taking a stand. If the law makes a more deliberate and active effort to address the whistle-blowing policy, and whistle- blowers are no longer faced with specific anxieties, every employee would think twice about committing any career suicide. This research work is basically an attempt to analyze the effect of whistle blowing policy on financial malpractices in the banking sector and also to create a certain level of awareness on this policy benefits as well as its implications on Nigeria’s economy as a whole.

Concept of Whistle-blowing: Whistle-blowing, according to Ikpefan (2021), is the act of members or former members of an organization exposing information about the organization's illegal or immoral behavior that is not in the public interest. Whistle-blowing is defined as "an attempt by an employee ofa corporation or business firm to reveal what he or she considers to be misconduct in or by the organization," according to Rubinstein (2019). Whistle-blowing is defined by Jones (2018) as an employee's disclosure to management or law enforcement officials of his supervisor’s or employer criminal behavior. The role and goal of whistle-blowing are the same, regardless of how these experts describe it. That is, a discloser not only wants to serve as a reminder to the organizations he or she works for, but also tries to make those organizations aware that illegitimate, immoral, or fraudulent acts should be stopped now that wrongdoing has been discovered and cannot be hidden any longer External whistling is the use of an external route to reveal ineffective or illegal actions in a company. Anti-corruption or regulatory government agencies, the media, and other outside parties to the organization are among the recipients of the information (Davis, 2019). Internal whistle-blowing is carried out through internal reporting channels. Whistle-blowers often have both internal and external reporting channels available to expose organizational violations; research reveals that all whistle-blowers attempt to report wrongdoing through internal channels first before attempting to report misconduct through external channels. (Dworkin, Smith, & Broon 2017). External whistle-blowers are more likely than internal whistle-blowers to face substantial organizational reprisal, according to (Solomon, 2021). External whistle-blowing is more damaging to an employer than internal whistle-blowing, because the latter allows the company to improve its procedures. (Coenen, 2018)

Safeguarding the Banking Industry through Blowing the Whistle: A whistleblower, for the avoidance of doubt, is someone who expresses concerns about suspected misconduct in a company or group of individuals. This person regularly works for the same firm. Whistleblowers risk being fired or demoted if they report misconduct to their chain of command. When approved into law, the bill is intended to create a channel for disgruntled employees, residents, and others to air their grievances while also ensuring that they are protected from any negative effects. Every company and employee would think twice about committing career suicide if this policy is effectively executed.

The financial system remains vital to the economy as a whole. Even though the financial system is the most heavily regulated of all industries, it is nonetheless vulnerable to insider trading, creative accounting, and other forms of fraud, all while being closely monitored by regulators. Regulators are frequently left chasing shadows or reacting late. As a result, it is the responsibility of everyone - management, employees, and the general public - to ensure that the financial system is secure. It is not only CBN's, NDIC's, or its auditors' responsibility. Naturally, they audit these banks on a regular basis, but how much can an auditor see or detect—eagle eye or not? The benefit of a whistleblower is that it can help to bring light to a dark situation or draw attention to fraud or suspicious activity.

The Conditions That Must Exist Before Whistle blowing Can Take Place:

- The circumstance must be morally significant enough.
- The allegations must be well-founded with sufficient information, and the whistleblower must be aware of the implications of making an unsubstantiated complaint.
- Only when there is a chance of resolving an issue or solving a problem that will be ofpublic interest should the whistle be blown.
- Internal channels of complaint had to be depleted

Components of Whistle blowing

The following elements should be included in a well-designed whistle-blowing policy: A clearly expressed statement of responsibility. Employees will realize that it is their responsibility to report unethical or unlawful behavior through the proper channels.

- A well-defined mechanism for reporting unethical behavior in a refined manner is required.
- The organization should hire well-trained personnel to look into reports of illegal or unethical behavior.
- Employees must have confidence that their complaints of suspected wrongdoing will not be dismissed or mishandled. This can be accomplished by alerting staff of the investigation's findings.

- Employees must be assured that they will not face reprisal for providing accurate reports.

Bank Fraud: The impersonation of a bank or financial organization in order to get money, resources, or other property held or organized by a bank, or to obtain money from depositors by illicit methods, is known as bank fraud (Ogechukwu, 2017). A deliberate or purposeful effort to earn illicit economic benefits at the cost of someone else who is the legitimate owner of the cash is characterized as bank fraud (Oji, 2019). Bank consumers, normal bank workers, or a mix of employees and clients or non-customers may all commit fraud. According to Oseni (2021), the economic sector's chronic fraudsters have caused many stakeholders to lose trust in the business. According to Idolor (2017), the current surge of fraud in the Nigerian economic sector has been a subject of worry for the nation, as seen by law enforcement authorities' apparent attempts to effectively track down the sources and means for eliminating it. As a consequence, Nigeria has been dubbed a corrupt country. Individuals, government, ordinary bank staff, and regulators must all work together to limit the number of frauds due to the significant number of financial scams.

Kinds of Bank Fraud: The various kinds of fraud that can be classified as bank fraud includes

Advanced Fee Fraud (419): A broker may contact a bank, an organization, or an individual with an offer to obtain significant sums of money at a lower interest rate than the market, usually for a long periodof time. The only way to get such materials is to go through a broker, who must be paid a fee or commission up front. The broker vanishes into thin air after receiving the fee, and the facility never materializes.

This form of fraud can readily be perpetrated by any bank in dire need of funds, particularly unstable economic organizations that require large sums of money to bid on currency trading. The failures are unlikely to be reported to the police or regulators by these victims.

Stolen cheques: Fraudsters may look for institutions that process large amounts of money, such as mail rooms, publishing offices, tax authority offices, business payroll offices, or social or veterans' benefit offices. The fraudsters may then open bank accounts under false names and deposit checks, which they may then change to appear legitimate, allowing them to withdraw funds unexpectedly (Olurotimi & Isibor, 2024). Forgers can also get unexpected access to blank chequebooks and forge seemingly authentic signatures on the cheques in order to obtain unlawfully obtained resources.

Unofficial Borrowing: In some cases, bank employees borrow informally from the containers and teller tills; such unofficial borrowings are made in exchange for a post-dated cheque, an IOU, or even nothing. Weekends at the end of the month, when salaries have not been compensated, are the most common times for these borrowings. Some of the unofficial borrowings from the container, which can amount to tens of thousands of naira, are utilized for short-term or day- to-day businesses, after which the resources are replaced with no indication that they were stolen in the first place. When such an exercise is repeated without keeping official records, it becomes open to manipulations, whereby they use various means to balance the money in the bank's container without ever having to restore the sums collected.

Foreign Return Malpractices: This involves falsifying currency trading documents and diverting currency trade that has been legitimately assigned to the banker to meet clients' demands and requirements to the black market, utilizing some ghost customers as representations. Other currency trading blunders include selling to unwitting and gullible customers at higher-than- operate forex rates and then disclosing the total amount once the unwitting client has left. This exercise frequently finds fertile ground in economic companies with faulty control, record-keeping, and accounting systems, as well as damaged top management personnel.

Cheque Kiting: Cheque kiting is defined as a strategy in which a depositor takes advantage of the time it takes for a check to clear to get an illegal financial loan without paying interest. Cheque kitter's purpose is to use these uncollected monies for a short period of time at zero interest to solve quick cash flow crisis.

Demand set up fraud: Demand set-up fraud typically includes one or more fraudulent bank workers. To begin, such employees take a few Demand set up leaves or Demand set up instructions from inventory and write them as a standard DD. They understand the coding and punching of a required setup because they are insiders. Fake requirement drafts are frequently drawn up in a distant place without a forex consideration being deducted. The set-up is cashed when the division is due. The swindle is discovered only when the lender's secret headquarters performs branch- by-branch reconciliation, which takes six months on average, by which time the money has vanished.

Account Opening Fraud: This includes making a down payment and then cashing fraudulent checks. It usually starts when an individual who is unknown to the bank requests to open a transaction account, such as a checking or savings account, using false identification.

Impersonation: Impersonation is when someone takes on the identity of someone else to defraud them. Impersonation has been reported to be particularly effective when carried out by deceitful bank insiders who have access to customers' signature specimen and passport photographs.

Some Securities in Banking Transaction

Authentication: This is creating a two-layer security system where a key in the form of a password to gain access to the mobile money application and then a PIN to complete the transaction (Babajide, Oluwaseye, Adedoyin, & Isibor, 2020). Data network adds an extra layer of protection such that anyone trying to hack a banking app directly from a customers' phone would have to go through two levels of security (phone password and banking app password and pin), rather than just one.

OTP (One-time password): When the amount to be withdrawn exceeds a specific threshold, a one-time password is issued to the customer's cellphone or email address as an additional layer of security. The password is provided to the customer's mobile device via SMS and has expiration time.

Biometrics: The biometrics approach is used to identify a person's physical nature, since each person has only one personal identity, it is impossible to clone, share, or forget. Many consumers would consider mobile banking if biometrics are available for security purposes. Security is the main issue for mobile banking and via a safe connection between the bankand the customer's mobile phone, trust can be established. The new system fails to properly identify the registered recipient. Customers who use mobile banking can feel insecure if their phone gets lost.

BVN: A BVN is a one-of-a-kind identifying number that can be confirmed at any Nigerian financial institution. The BVN of a customer is linked to the following biological characteristics: * Fingerprint * Signature * Facial photograph taken at the time of enrolling with the growing number of incidences of traditional security systems (password and PIN) being compromised, there is a considerable demand for more secure bank database.

Money Laundering: Money Laundering is a term that refers to the act of criminals to cover up illegal funds. Money here is moved via a series of sophisticated transfers and transactions to "clean" it of its illicit origins and make it look as legitimate company earnings. It involves the following stages:

Placement: It entails the first injection of such funds into the financial system or the cross-border transport of the proceeds of crime such as cash. The money might be deposited in a bank or used to purchase high-value items such as vehicles, real estate, and so on.

Layering: After introducing illicit monies into the financial system, laundering usually entails a seriesof transactions that further separate the funds from their illegal origins. The goal of this stage is to make tracing these payments back to their illegal source more difficult. The launderer may purchase equities or other valuable assets, or he may wire monies around the world through multiple accounts kept in numerous banks, possibly through several shell companies under his control.

Integration: Here, the aim is to pump the illicit funds into the economy by transforming them into clean and genuine assets. The goal is for the criminal to be able to spend the funds without arousing suspicion, which may lead to an investigation and prosecution. The launderer may utilize the laundered money to finance the purchase of a costly home with a mortgage loan. He may even establish a firm in which the unlawful monies are injected and reappear as phony profit. He might also create a web of phony import/export companies and employ false invoicing and fictitious transactions to disguise the monies as legitimate commercial earnings.

Theoretical Framework

Theory of Differential Opportunity: This theory was formulated by Richard Coward and Lloyd Ohlin in 1960. It emphasizes the fact that anyone can perpetrate fraud against their employers, providers, and customers, as well as against others and government divisions. Such a possibility, on the other hand, controlled or managed by:

- The criminal's access to records, resources, and property.
- Expertise is required to recognize that such a possibility exists and to make use of it.
- Amount of time available to organize and execute the schemes.

Empirical Framework: In Kwara State, Nigeria, Fagbemi (2017) researched the whistleblower intentions of future accountants. The study was primarily reliant on primary data. A questionnaire was used to gather primary data, which prompted answers to the study's variables. The questionnaire was sent to final-year accounting students at all institutions in Kwara State, Nigeria. Logistic regression analysis was used to put the theories to the test. The outcomes of the research show that moral duty and social law have a vital impact on respondents' willingness to blow the whistle. The study's practical consequences include the establishment of a whistleblower policy that is completely backed by law, as well as the protection of the whistleblower. Similarly, ethics education in accounting schools should be reinforced to inspire and encourage students to always behave ethically.

Makinde (2018) investigated the problems and difficulties of Nigerian whistle-blowing policy. The study found evidence of broad motivations in Nigeria to boost plunder money recovery, expose corrupt practices, and assist anti-corruption groups in their fight against corruption. The study found that whistleblower policies have assisted anti-corruption authorities in Nigeria, among other things. Ehioghiren and Oeaga looked at the impact of whistle-blowing on fraud prevention and detection in the Nigerian public sector (2020). They used primary data and a questionnaire to perform the inquiry. The data was analyzed using the t-test. The results found that whistleblowers in federal public enterprises and parastatals perform much better than whistleblowers in state public businesses and parastatals when it comes to reducing fraudulent activities via whistle-blowing reporting laws. Also, in the Nigerian public sector, both federal and state, whistleblower law is a panacea for fraud prevention and detection.

Olawale (2013) looked at the perspectives of accounting students on whistle-blowing. As his principal research tool, he used primary data and questionnaires to perform his inquiry. The research revealed that as the potential of retaliation develops, so does the desire to report wrongdoing. Furthermore, the studies demonstrate that materiality increases whistleblower intent. Baltacj and Balci looked at the reasons behind whistle-blowing (2017). He used primary data as a research tool and an interview as his major research instrument. The information was examined using content analysis. As a result of the study, individual, organizational, and societal incentives for whistle-blowing have been identified. Individual motives for leaking include concerns about protecting and obtaining interests. Among the organizational elements are business ethics and the possibility of future advancement. Social reasons include things like social advantages, social justice, and religious values. For a number of reasons, including fear of reprisal, whistle-blowing is discouraged.

Dine, Cemil, Ali, and Bedia (2018) looked at the determinants of internal, external, and anonymous whistle-blowing intents using a quantitative study of accounting professionals. The survey method was used to acquire 177 answers from Turkish accounting professionals. A partial least square structural equation model was created to test the measurement's and structural model's dependability and validity. According to the results, the characteristics of whistle-blowing predicting 'ethical and professional advantage' and 'corporate profit' have a substantial favorable influence on 'internal whistle-blowing.' The accountants' perspectives on 'fear of retaliation' and 'corporate gain' as whistle-blowing predictors, on the other hand, had a favorable influence on 'anonymous whistle-blowing.' Finally, although accountants' assessments of 'fear of reprisal' had a positive link with their choice not to blow the whistle, accountants with a greater sense of 'business benefit' whistle-blowing had a lower inclination to do so.

Metilb and Mohanned (2020) looked at the influence of whistleblower intents among Jordanian internal auditors on the dark side of leadership and organizational commitment. For the research, internal auditors from Jordanian state industrial shareholding enterprises answered 89 self-administered questions. The SPSS 24 and PLS 3 statistical package programs were used to examine the data. According to the study's results, there is a negative and substantial link between the dark side of leadership and organizational dedication, as well as internal whistle-blowing intentions. It also revealed a positive relationship between organizational commitment and internal whistle-blowing intents. All of these elements support the organizational commitment's function as a mediator in recognizing the relationship between the dark side of leadership and the whistle-blowing intentions of the internal auditor. The results might help businesses build successful whistleblower policies and procedures. The influence of organizational commitment and leadership conduct on whistle-blowing among internal auditors in a developing economy is examined in this research.

Annabel and Waddell investigated the role of quality standards in regulating whistle-blowing (2018). Both quantitative and qualitative methodologies were used to examine the data. There was no evidence that the presence of a quality culture might predict the existence of whistle-blowing processes or the importance given to whistle-blowing procedures, according to the study. This study emphasizes the need of whistleblower policies while also identifying more research opportunities on this sensitive issue.

Model Specification: The study adopted and modified the model from the study of Ehioghiren and Oeaga (2020) and the implicit form of the model is:

WHB = F (AMI, TBA, CPS)

Where:

WHB = Whistle blowing policy and would be measured by Reported bank fraud cases

AMI = Amount of money involved in fraud cases in the banking sector and would be used to measure fraud in the banking sector
TBA = Total bank assets in the banking sector and would be used to measure Nigerian bankperformance

CPS = Credit to the Private Sector and would be used to measure corporate governance as corporate governance is believed to boost it.

The explicit form of the model was:

$WHB_t = \beta_0 + \beta_1 AMI_t + \beta_2 TBA_t + \beta_3 CPS_t + \varepsilon_t$Where
β_0 = Constant
β_1 - β_3 = Parameters estimating the three independent variables
ε_t = Error term or white noise
WHB = Whistle blowing policy
AMI = Amount of money involved in fraud cases in the banking sector.TBA = Total bank assets in the banking sector.
CPS = Credit to the Private Sector.

Data can be defined as raw fact. Secondary data was utilized in this research 1990 till 2020 and will be gotten from NDIC Report 2020.

The study used the Johansen Cointegration and Vector Error Correction technique to examine type of existing relationship among the variables.

Unit Root Test: In testing for the stationarity of the variables so as to ascertain their order of integration, the Augmented Dickey Fuller (ADF) test was carried out on all the variables. The result of the ADF unit root test tends to ascertain the presence of a unit root (non-stationary) tested against alternative hypothesis of the absence of a unit root (stationary). On the application of the ADF for the variable to be stationary, the ADF statistic (in absolute figure terms) must be greater than the standard critical value at 5 per cent level of significance. The ADF result showed that all the variables (LWHB, LAMI, LTBA, and LCPS) were stationary at first difference, trend and intercept, as the value of the ADF statistic was higher than the standard critical value at 5 per cent level of significance. This implied that the variables were integrated of order one, I (1). The implication was that the variables have long run relationship which was then tested by the Johansen cointegration test. The results of the ADF test is shown table 4.1

Table 4.1. ADF unit root test results

Variable	ADF @ 1st Difference	5% Critical value	Order of Integration	Remark
LWHB	-4.266083	-3.574244	I(1)	Stationary
LAMI	-5.541358	-3.580623	I(1)	Stationary
LTBA	-4.573244	-3.587527	I(1)	Stationary
LCPS	-4.661413	-3.574244	I(1)	Stationary

Source: Author's Computation using E-views

Johansen Cointegration: The long run relationship was estimated adopting the Johansen cointegration test to ascertain the long run relationship among the variables in the equation. The null and alternate hypothesis is:

H_0: There is no long run relationship among the variables in the model.

H_1: There is a long run relationship among the variables in the model

From the Johansen co-integration analysis in table 4.2, given the appropriate lag selection criteria to be 1, there was a long run relationship between logs of amount of money involved in reduction in number of bank fraud cases (LAMI), log of total bank assets (LTBA), log of credit to the private sector (LCPS) and log of whistle blowing policy (LWHB). (LWHB, LAMI, LTBA, and LCPS). From the unrestricted cointegration rank test; using the trace statistics in table 4.2, there existed one (1) cointegrating equation, with the probability value less than 0.05 confidence level and figures of 0.0365. The maximum Eigen value on the other hand from table 4.3 indicated also one (1) cointegrating equations with figures of 0.0090, implying that using both the trace statistics and the maximum Eigen value statistics, there was a long run relationship between the dependent variable and the independent variables. This also means that the null hypothesis was rejected, meaning that there is a long run relationship among the variables in the model. Since a long run relationship existed, the vector error correction model (VECM) was conducted to determine the long run and short run association and thus the corresponding speed of adjustment. The result is thus represented in table 4.3 and table 4.4.

Table 4.2. Unrestricted Cointegration Rank Test (Trace)

Hypothesized		Trace	0.05	
No. of CE(s)	Eigenvalue	Statistic	Critical Value	Prob.**
None *	0.692576	49.28655	47.85613	0.0365
At most 1	0.355003	16.25974	29.79707	0.6939
At most 2	0.130397	3.981482	15.49471	0.9051
At most 3	0.002474	0.069355	3.841466	0.7923
Trace test indicates 1 cointegrating eqn(s) at the 0.05 level				
* denotes rejection of the hypothesis at the 0.05 level				
**MacKinnon-Haug-Michelis (1999) p-values				

Table 4.3. Unrestricted Cointegration Rank Test (Maximum Eigenvalue)

Hypothesized		Max-Eigen	0.05	
No. of CE(s)	Eigenvalue	Statistic	Critical Value	Prob.**
None *	0.692576	33.02681	27.58434	0.0090
At most 1	0.355003	12.27825	21.13162	0.5204
At most 2	0.130397	3.912128	14.26460	0.8685
At most 3	0.002474	0.069355	3.841466	0.7923
Max-eigenvalue test indicates 1 cointegrating eqn(s) at the 0.05 level				
* denotes rejection of the hypothesis at the 0.05 level				
**MacKinnon-Haug-Michelis (1999) p-values				

Source: Authors Computation Using Eviews 9

Vector Error Correction Model (VECM): VECM is used to calculate the speed at which short disequilibrium converge into long run equilibrium relationship. It is constructed only if the variables are co-integrated which implied that there was evidence of a long-run relationship among the variables. Moreover, it is a restricted VAR model with co-integrating restrictions imputed into its specification. The coefficients in the co-integrating equation showed the estimated long-run relationship among the variables. The coefficient in the VECM revealed how deviations from that long- run relationship affect the changes in the variable in the next time-period. In summary, those coefficients across cointeq1 under the VECM show how each variable will move in the next period to get back to the long run relationship.

Under table 4.4, the coefficient values of the cointeq1 would first be examined to know if there is long run relationship among the variables in the model to confirm the Johansen cointegration result. Then, the coefficient values of all the independent variables would be examined to know if each independent variable would be fast in getting back to a long run relationship in impacting the dependent variable in the next period. From table 4.4, the value of the cointeq1 was 0.035512 and was significant at 5% level of significance to prove the Johansen Cointegration result of a long run relationship among the variables in the model. Next is to check how fast the long run relationship can converge inthe next time period. The coefficient value of log of amount of money involved in banking fraud (LAMI) at lag length 1 was 0.022359 and significant at 5% level of significance with positive sign, to prove that it has a short run time period in having a long run impact on the dependent variable log of whistle blowing policy (LWHB). This showed that it is a vital and significant variable that affects whistle blowing policy now and would also affect it in the next period. The coefficient of log of total bank assets (LTBA) at lag length 1 was 0.012483 andpositively significant at 5% level of significance to prove that it also has a short run time period in having a long run effect on the dependent variable log of whistle blowing policy policy (LWHB). It also proved that it is an important variable that would impact the dependent variable (LWHB) both now and the next period in the long run. Finally, the coefficient of log of credit to the private sector (LCPS) at lag length 1 was 0.013475 and also positively significant at 5% level of significance to also prove that it also has a short run time period in having a long run effect on the dependent variable log of whistle blowing policy policy (LWHB). This also proved that it is an important variable that would impact the dependent variable (LWHB) both now and the next period in the long run.

Table 4.4. VECM Result

Error Correction:	D(LWHB)	D(LAMI)	D(LTBA)	D(LCPS)
CointEq1	0.035512	0.030951	0.008151	0.010494
	(0.01194)	(0.01834)	(0.00530)	(0.00854)
	[2.97304]	[4.41371]	[1.53795]	[1.22811]
D(LWHB(-1))	-0.323558	-0.966816	-0.281285	-0.102790
	(0.31693)	(0.48664)	(0.14063)	(0.22672)
	[-1.02091]	[-1.98671]	[-2.00016]	[-0.45339]
D(LAMI(-1))	0.022359	0.616342	0.032359	0.160208
	(0.03823)	(0.25832)	(0.07465)	(0.12034)
	[1.67839]	[2.38599]	[0.43348]	[1.33125]
D(LTBA(-1))	0.012483	0.225523	0.614434	0.859330
	(0.02230)	(0.64843)	(0.18739)	(0.30209)
	[2.72906]	[0.34780]	[3.27899]	[2.84461]
D(LCPS(-1))	0.013475	0.108992	-0.108416	-0.214098
	(0.04182)	(0.44808)	(0.12949)	(0.20875)
	[0.59446]	[0.24324]	[-0.83727]	[-1.02561]
C	0.510802	0.113154	0.139742	0.098984
	(0.12124)	(0.18616)	(0.05380)	(0.08673)
	[4.21327]	[0.60785]	[2.59765]	[1.14134]

Source: Authors Computation Using Eviews 9

Post-Estimation Technique

VEC Residual Heteroskedasticity Test Heteroskedasticity refers to data with unequal variability (scatter) across a set of other predictor variables thus making the error term not having a constant variance. This can make the estimators not the Best Linear Unbiased Estimators (BLUE) and it will give biased coefficients result. To test for heteroskedasticity in the VECM result, the probability value of the Chi-Square (Chi-sq) must be insignificant at 10% level of significance to confirm that there was no heteroskedasticity in the model. From table 4.6, the probability value was 0.2195 and was not significant at

10% level of significant to prove that there was no heteroskedasticity in the model.

Table 4.6. Heteroskedasticity Test

Chi-sq	df	Prob.
215.1834	200	0.2195

Source: Authors Computation Using Eviews 9

VEC Residual Serial Correlation LM Test: This test was used to check for autocorrelation or serial correlation in the model. Autocorrelation means that each of the independent variable is not correlated but stand on their own. The probability values of the LM-stat must be insignificant at 10% level of significance to prove that there was no autocorrelation in the model. From table 4.7 andusing lag length of 4, the probability values of the LM-Stat were not significant at 10% level of significance to prove that there was no autocorrelation in the model.

Table 4.7. Residual Serial Correlation LM Test Lags

	LM-Stat	Prob
1	18.06128	0.3203
2	27.21795	0.1391
3	15.91645	0.4588
4	13.36078	0.6462
		Probs from chi-square with 16 df

Source: Authors Computation Using Eviews 9

DISCUSSION

The study undertook an analysis on data collected to determine how banking sector performances impact whistle blowing policy in Nigeria. The descriptive statistics were first conducted in other to determine their association between and among each other. The trend analysis proved that all the variables, despite their various fluctuations, had an upward rising till 2020. The unit root test showed that all the variables were stationary at first difference. Hence, the Johansen cointegration test was conducted with logs of amount of money involved in the reduction in number of bank fraud cases (LAMI), total bank assets (LTBA), and credit to the private sector (LCPS) on the dependent variable which was captured by whistle blowing policy (LWHB). The result showed that there was a long run relationship among the variables in the model. The vector error correction model was conducted and it confirmed the long run positive and significant relationship between the dependent variable all the independent variables using the cointeq1 value of 0.035512 in equation 1. The VECM analysis proved the long run relationship and showed that all the independent variables had a short run speed of adjustment to move into the next period and impact the dependent variable. Also, all the variables had positive long run significance on the dependent variable. The implication of the findings is that all the independent variables were vital in boosting whistle blowing policy both in the time period and the next time period. Therefore, the importance of the whistle blowing cannot be over-emphasized in impacting the banking sector in Nigeria. Therefore, the funds recovered from the bank frauds helps create competitive advantage that leads to improved and increased bank services through investments, boost the bank's corporate governance, and increases the bank's assets.

CONCLUSION

The study showed that a bank's whistle blowing policy could be influenced by three bank variables of reduction in number of bank fraud cases, bank performances, and corporate governance. The study utilized three independent variables of reduction in number of bank fraud cases, bank performances, and corporate governance and found that they all had a long run significant effect on the dependent variable whistle blowing policy. Also, the findings showed that the long run effect would translate into a long run effect in the next period in a short period of time.

Recommendations

- A tightening whistle blowing policy is also needed by banks to reduce fraud in the banking system. Items in the policy could include reward for the whistle blower, and keeping his or her information secret in order to motivate them and keep theiridentity.
- A tightening corporate governance policy is needed by banks to reduce bank fraud. The banks should also ensure that the corporate governance policies are being followed by the bank staffs so as to eliminate fraud completely in the banking system.
- Banks should ensure that recovered funds from fraud are reinvested so as to boost their performances. The reinvested funds would attract more earnings for the banks and boost their performances.
- Periodic review of the bank's corporate governance compliance and whistle blowing policy compliance should be done regularly to lower bank fraud.
- Trainings, seminars, and workshops on financial crimes and its negative impact should be organized by the banks to its workers and also to the general public.

Contributions to Knowledge

- The study added to the theory of differential opportunity which explained that anyone can perpetuate fraud against their employers, providers, government, and customers (agencies). However, the agencies too can use the whistle blowing policy to reduce such perpetuated fraud to the barest minimum.
- The study contributed to existing literatures on bank performance by proving that whistle blowing policy can help reduce bank fraud and increase earnings through reinvestment of such recovered funds.
- The study also added to existing literatures on whistle blowing by using three banking metric variables of reduction in number of bank fraud cases, bank performances, and corporate governance together as independent variables as against other studies like Olawale (2013) that used one or two of the variables together and not the three together to drive the study objectives.

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