CEO Attributes and Financial Statement Fraud of Non-Financial Firms Listed on Nigeria Exchange Limited

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Abstract

This study investigated the effect of CEO attributes on the financial statement fraud of non-financial service firms listed on Nigeria exchange limited. The study has three specific objectives that included investigating the effect of CEO tenure, CEO ownership and CEO turnover on financial statement fraud of non-financial firms in Nigeria. The three hypotheses that were tested were formulated in accordance with the objectives established. The study covered a period of ten years from 2012 to 2021 and adopted Ex-post facto research design. Secondary data were collected from the annual reports of the firms and sample of 68 firms were drawn from the population of 106 firms listed under non-financial service firms, using a purposive sampling technique. The data generated were analysed with descriptive statistics, correlation and panel regression technique which gave the findings that; CEO turnover have inverse statistical significant effect on financial statement fraud of non-financial firms at 1% level. Meanwhile, CEO ownership have positive insignificant effect on financial statement fraud of the sampled firms while, CEO tenure has positive and no significant effect the financial statement fraud of non-financial firms listed on Nigeria exchange limited. The study therefore recommended amongst others shareholders should relieve the CEOs their duties on the event of continuous underperformance as a way of corporate modification, otherwise CEO turnover at the point of exhausting the service periods helps reduce the occurrence of financial statement fraud across the firms studied.

***Keywords**: Financial Statement Fraud, CEO Ownership, CEO Tenure, CEO Gender*

1.0 Introduction

The whole stakeholders of the business are looking on to see that their interests in the business are well protected and the major enforcer and executor of most business decisions is the Chief Executive Officer (CEO). The CEO as the agent of the shareholders brings to bear his managerial expertise necessary to ensure that wealth of the shareholders are maximized and that of other stakeholders are reasonably met. Bouaziz, Salhi, and Jarboui (2020) in their work posit that the CEO is the most powerful person in a firm, where Amelia and Eriandani (2021) affirm that the CEO is at the center of policy in every company. Most at times the CEO goes outside his comfort zone and operates with managerial latitude just to ensure he impresses his employers, to be able to retain his job as well as attract incentives. Relatively, Chou and Chan (2018) asserted that CEO is the one in charge and has authority on the organisations' decision making therefore, is responsible for the financial performance of the entity.

On the other hand, financial statement fraud is a recurring decimal in the business world today. It represents any miss presentation or misstatement of facts in the financial reports of the organisation, which could be as a result of operating within the confines or the loopholes in the accounting standards and conventions to achieve a specific aim, generally referred to as creative accounting. Indeed, the chances that creative accounting could be applied in the financial reporting of the firm increases the propensity of earnings management inclusion in their annual report, which actually downplays the quality of financial reporting. Many cases of corporate failures could not be distanced from causative of financial statement frauds including the collapse of Enron, WorldCom and Xerox (Odubuasi, Ofor & Ilechukwu, 2022; Omaliko & Asuzu, 2024). However, most studies on the impact of CEO characteristics on earnings management were on nations other than Nigeria, for instance; Altarawneh, et al. (2022) investigated the effect of CEO characteristics on the discretionary accrual of firms listed on the Malaysian Stock Exchange; Amelia and Eriandani (2021) worked on CEO characteristics and earnings management of Indonesian firms, while the related study on Nigeria economy was on CEO attributes and firm performance as was done by (Ashafoke et al., 2021), therefore it becomes imperative to determine the effect of CEO attributes on the earnings management of financial service firms on the Nigeria exchange limited. Hence the study set the objectives to investigate the effect of;

1. CEO tenure on financial statement fraud of non-financial services firms on Nigeria exchange limited.
2. CEO ownership on financial statement fraud of non-financial services firms on Nigeria exchange limited.
3. CEO turnover on financial statement fraud of non-financial services firms on Nigeria exchange limited.

Research hypotheses

H_{01}:- CEO tenure does not have significant effect on financial statement fraud of non-financial services firms on Nigeria exchange limited.

H_{02}:- CEO ownership does not have significant effect on financial statement fraud of non-financial services firms on Nigeria exchange limited.

H_{03}:- CEO turnover does not have significant effect on financial statement fraud of non-financial services firms on Nigeria exchange limited.

The result of the study would arm numerous shareholders, investors and auditors with the knowledge of the attributes to look out for in the CEO for their various decisions. The study is structured that next section is review of related literature, section three is methodology, followed by data analysis and interpretation, the final section is the conclusion and recommendation.

2.0 Review of Related Literature

Conceptual review

CEO Characteristics

CEO characteristics measure the psychological qualities of the CEO that influence him when carrying out corporate decisions. Upper Echelon Theory holds that CEO's characteristics are the enabling capacity that affects his corporate judgment and decision (Hambrick & Mason, 1984; Omaliko, Odubuasi, Asuzu & Ajuonu, 2024). CEO has been the subject of discussion both in academic and in business practice since they are considered superstars in reviving bad performing companies. Jim (2009) noted that the trend of events has drastically changed the functionality of CEO to include spending reasonable time in tasks as restructuring operations, designing product lines, improving debt recovery plans of the organisation. To this, Hambrick (2007) posits in his argument that for one to understand why an organisation do the things they do or perform in a particular way, the person must first of all understand the values, perceptions, disposition, biases of the CEO, who exercise most of the powers on behalf of the firm. To this view, the study considers the under listed attributes of the CEO at their merit for the review;

CEO Tenure: CEO tenure explains the duration of services of the most senior manager of the corporate organization in that capacity. Hambrick and Mason (1984) maintain that the tenure of CEO in their Upper Echelon Theory can affect the type of decision he makes for the entity. The findings by Ali and Zhang (2014) have it that new CEO's adopt several non-routine adjustments in their first year to accommodate excess expenses and losses where they will claim credit in future years' profit. Alhmood, Shaari and Al-dhamari (2020) opine that CEO with long tenures tend to gather more experience that helps them take decisions that reduce accounting manipulations, in effect produces financial statements that contains less or no fraudulent reports. Bergh (2001) insists that long serving CEO must have gathered much experience and wealth of knowledge needed for successful running of the entity.

CEO Ownership: CEO ownership stands to measure the position and actions of Chief Executive Officer when he holds a good chunk of the stock of the company he manages in that case bridging the gap between ownership and control. The emergence of information asymmetry especially when not equal to the disposition of top management and shareholders, obviously places top managements at an information advantage while shareholders are at inferior position comparatively (Omaliko & Okpala, 2022). Law and Ningnan (2022) had believed that top managers are likely to conduct selective information disclosure based on their personal interests and shareholder's interests. By implication, the executives are likely to make public disclosure only of good news and cover up bad news to effectively meet both top managers' and shareholders' interests, but mostly to the detriment of the shareholders as they would not be on the know of the inherent risk in the operation and financial statement.

CEO Turnover: CEO turnover buttresses the frequency of succession or replacement of the Managing Director of the business entity. CEO of an organisation could be changed for attainment of retirement age, lapse of the tenure of office, non-functionality as could be occasioned by ill health, consistent underperformance and even death of the CEO. The Nigerian Code of Corporate Governance (NCCG) in section 12.9 stipulates that the tenure of the CEO should be determined by the Board of Directors of the enterprise (NCCG, 2018). Qawasmeh and Azzam (2020) opine that a CEO attaining the retirement age should be replaced with a younger aged person with vibrant mind. Perhaps, this is the reason that managers of enterprises are meant to have vast experience in most aspect of the organisations structure for easy succession plan. Nonetheless, Hambrick and Mason (1984) concur when they affirm in the Upper Echelon Theory that rotation is not exclusive to CEOs but to the whole management team of the entity to fine-tune and shape their strategic decision framework. Many researchers give their support to CEO turnover that it will help decrease the reoccurrence of discretionary accruals in organisations (Murphy & Zimmerman, 1993).

Financial Statement Fraud

Financial statement fraud according to Salehi and Mansoury (2009) refer to the purposeful distortion of financial statements and other financial reports with the intention to cover assets misappropriation and revenue misstatements for selfish reasons. In which case, any intentional application of rational choice in playing around accounting regulations and principles, with a resultant effect of presenting a misleading and deceptive financial statement, just to make some personal gains represents financial statement fraud. Corroborative definition was made by KPMG (2006) that financial statement fraud is a deceptive scheme for reporting financial records including income accounting because of incorrect identification and overvaluation of income. To this end, more scholars posit that financial statement fraud as the subject matter is a function of violating Generally Accepted Accounting Principles (GAAP) by either overstatement of revenues, understatement of expenses, overstatement or understatement of assets to achieve personal or organisational interest (Beasley, Carcello, Hermanson, and Lapides, 2000; COSO, 1999; Dechow, Sloan, and Sweeney, 1996). Nonetheless, financial statement fraud are most often adopted because of the bad financial shapes of the organisation occasioned by poor performance or sternly lack of resources (COSO, 1999), or because the management wants to measure up with the analyst profit forecast and the management projection for the period (Dechow, Richardson & Tuna, 2003). CEOs are deemed to be directly or indirectly engaged in financial statement fraud for many reasons to project positive public image, boast their report, ensure sustainability of the stakeholders, attract incentive to himself for good performance reported, and for continued stay in office.

Upper Echelon Theory

The Upper Echelon Theory (UET) was propounded by Hambrick and Mason (1984) which is established on the ground that displays the characteristics of top management ability to affect the decision making of the firm. The theory was prompted by the desire to finding a solution to why organisations act the way they do. Hence, the theory postulates that the characteristics of the top management has capacity of affecting organizational performance. The seminal paper of Hambrick and Mason (1984) argued for a new emphasis on the dominant coalition of the organization, particularly its top managers, like the Chief Executive Officer (CEO) and Chief Financial Officer (CFO). Hambrick and Mason (1984) asserted that Organizational outcomes are viewed as reflections of the values and cognitive bases of powerful actors in the organization. It is expected that, to some extent, such linkages can be detected empirically. The manager brings a cognitive base and values to a decision, which creates a screen between the situation and the eventual perception of it. Prior studies had common choice of UET as a basis for studies that anchor of

Chief Executive Officers and his office (Odubuasi, Anene & Okeke, 2022). Hence our study was anchored on this theory because it is the most used theory on the area of study as well as most suited for our study.

Empirical Review

S/N	Author(s) / Year	Title of the study	Variables used	Methodology	Findings
1	Altarawneh, Shafie, Ishak and Ghaleb (2022)	Effect of CEO characteristics on the discretionary accrual of firms listed on the Malaysian Stock Exchange	X: CEO tenure, CEO network, CEO expertise, female CEO, and CEO age Y: discretionary accrual Control variable: firm size, leverage, big4, ROA, sales growth, market to book value.	Descriptive statistics, correlation and regression analysis	CEO tenure, CEO network, female CEO have negative statistical significant effect on discretionary accrual on firms sampled in Malaysian market. Meanwhile, CEO expertise, and CEO age have no significant effect on discretionary accruals
2	Law and Ningnan (2022)	The impact of individual CEO's characteristics on performance of firms in Chinese Stock Exchange	X: using legal background, dual position (that is, as both CEO and chairman of the same firm), shareholding ratio, gender, and tenure Y: ROA	Descriptive statistics, correlation and multivariate regression analysis	CEO's with legal background has positive and significant effect on corporate performance of firms in China, CEO duality has negative insignificant effect on financial performance of firms in China, CEO shareholding ratio has negative and insignificant effect of Chinese firm performance, CEO's gender has positive but no significant effect on financial performance of firms in China
3	Yu (2022)	Systematic review on the CEO duality and firm performance	Literature review	Qualitative research	further recommends that future studies could also advance the robustness of research through the application of multiple theoretical lenses to consider how various governance factors moderate the relationship between board leadership structure and firm performance

4	Mukherjee and Sen (2022)	Impact of CEO characteristics on corporate reputation, financial performance and corporate sustainable growth of firms in India	X: CEO gendre, CEO age, CEO education, CEO duality, CEO remuneration, CEO tenure, CEO nationality, CEO busyness Y:	OLS regression	CEO remuneration and tenure maintains significant positive associations with corporate reputation, while duality and CEO busyness are found to be associated with corporate reputation negatively. The results also show that female CEOs and CEO remuneration are associated with corporate financial performance positively, whereas CEO busyness, as expected, holds a significant negative relationship with corporate financial performance
5	Ghardallou (2022)	Moderating role of corporate sustainability on firm performance: from the perspective of CEO education and tenure	X: corporate social responsibility disclosure index, CEO tenure, CEO education as represented by MBA, CEO education as represented by field experience Y: ROA, ROE and Tobin’s Q	Descriptive statistics, OLS regression analysis	firms which engage in CSR practices possess better financial performance. The moderation of relationship of firm financial performance with corporate sustainability, CEO education and tenure display positive.
6	Rehman, Jun, Rehman, Zeeshan, Adeel, Saleem and Rehman (2021)	Unravelling the nexus between CEO characteristics and financial performance of listed firms in Pakistan	X: CEO education, CEO tenure, CEO duality, CEO gender, CEO nationality, CEO origin/insider Y: ROA, ROE and Tobin’s Q	Robust Panel Modeling	CEO duality and tenure are inversely associating performance of firms in Pakistan, female CEO, and non-national CEO are not significant in determining the profit level of firms in Pakistan, insider CEO and foreign CEO have influence on firm performance
7	Akinsola, Afrogha, Oladele and Amu (2021)	Living in the past-CEO duality in African corporate governance research?	X: CEO duality	desk review approach, Qualitative design	CEO duality is not supposed to form part of exogenous variables for corporate governance since most of the African nation’s corporate

					governance code has mandatorily barred the use of CEO duality
8	Ashafoke, Dabor and Ilaboya (2021)	Does CEO characteristics affect financial reporting quality of Nigerian banks?	X: CEO gender, CEO financial expertise, and CEO tenure Y: IASB qualitative characteristics index	Descriptive statistics and regression analysis	CEO gender has positive and no significant effect on FRQ, CEO tenure has positive and significant effect on FRQ, while CEO financial expert has negative and statistical significant effect on FRQ of the banks reviewed.
9	Ekpulu and Iyoha (2021)	Board attributes and the likelihood of financial statement fraud on listed non-financial firms from Nigerian	X: board size, board independence and board meeting Y: fraud in the financial statement	Descriptive statistics, logit regression estimation	Board independent has positive and statistically significant on financial statement fraud, board size has negative and no significant effect on financial statement fraud while board meeting has positive and no significant effect on financial statement fraud
10	Amelia and Eriandani (2021)	CEO characteristics and earnings management of Indonesian firms	X: CEO gender, CEO tenure and CEO turnover Y: earnings management Control variables: firm age, firm size, firm leverage, ROA and MTB	descriptive and panel regression analysis	Female CEO and CEO turnover have no significant effect on the earnings management of the firms sampled. Company age and MTB ratio have no significant effect on earnings management of the firms. More so, CEO tenure and firm size have inverse and significant effect on earnings management whereas ROA and firm leverage have positive and statistical significant effect on earnings management
11	Sutrisno and Karmudia	CEO confidence, founder and restatement of	X: CEO overconfidence and founder	descriptive statistics and logistic	CEO overconfidence has positive statistically significant effect on financial

	ndri (2020)	financial reporting of non financial firms listed on the Indonesian Stock Exchange	Y: financial statement restatement	regression estimation	report restatement. Meanwhile, the relationship between CEO overconfidence and restatement of financial reporting will be weak if the CEO overconfidence is also a founder of the company
12	Ghardallou, Borgi and Alkhalifah (2020)	Effect of CEO characteristics on firm performance	X: CEO education, CEO professional experience, CEO tenure Y: ROA, ROE and Tobin's Q	Panel regression estimation and GMM estimator	CEO with educational background especially those that have degree in business administration, finance, economics and accounting have more understanding of the workings of the business, which triggers higher profit
13	Altarawneh, Shafie and Ishak (2020)	Characteristics of CEO to proffer a direction of future	Literature review	Qualitative research	Found area of CEO characteristics unexplored
14	Al-Matari, Al-ahdal, Farhan, Senan and Tabash (2020)	Determinants of top executive management effects on the financial performance of financial sector firms	X: size, professional certificate qualifications, general experience, accounting experience, Y: Tobin's Q	Descriptive statistics, correlation analysis, FGLS regression analysis and fixed effect	Top executive management experience both general and accounting have positive and significant effect on financial performance of firms on the Oman Stock Exchange. More so, top executive management size has inverse and significant effect on the financial performance of firms in Oman as represented by Tobin's Q
15	Nguyen, Nguyen, and Doan (2020)	Ownership structure and earnings management on Vietnam real estate sector	X: state ownership of real estate companies, foreign ownership of real estate companies, ownership concentration of real estate companies and managerial ownership ratio of real estate companies.	Descriptive statistics, pooled OLS regression, Fixed Effect Model, Random Effect Model	State ownership has positive effect on earnings management, managerial ownership has inverse significant effect of earnings management, foreign ownership was found to have negative effect, and ownership concentration has negative effect on earnings

	Y: discretionary accruals as measured with Jones model Control variable: debt ratio, ROE, individual members, company size, board size, CEO duality, and big4 audit firms.	management of real estate in Vietnam

3.0 Methodology

Ex-post facto research design was used because there was no intention by the researcher to manipulate the data. The study population is all the one hundred and six (106) non-financial service firms that are listed on Nigeria exchange limited. Elimination method was used to arrive at the sample size of the study. Thus, firms that do not have financial statement for the periods of time covered was removed, all the firms that had not operated for the period of time under review were eliminated, finally oil and gas sector was also sieved out because, the data from the sector had relatively high value of outliers. At the end, the study used sixty eight (68) firms that measured up to the criteria stated above. Secondary data was used by the study and was collected from the annual reports of the firms for ten (10) years, spanning from 2012 to 2021 financial years.

The data generated was analysed using Stata 14 version with some analytical techniques that include; Descriptive statistics for distribution pattern of the data, correlation analysis for the level and direction of relationship among the variables, panel regression analysis using random effect (RE) and fixed effect (FE) models, alongside Hausman effect test for selection of better model between random and fixed effect results. Variance inflation factor tested multicollinearity, Heteroscedasticity tested for the presence of an outlier, whether the residual of error term is constant. Validity of the models were tested with F-test and P-value, R^2measured the overall impact of independent variables on the dependent variable, a test of goodness of fit of the model, while the significance of the individual independent variables were tested with t-test, all at 95% confidence level.

Model Specification

The model of this study is specified using multiple regression as specified below;

FSF = f (TEN, OWNE, TURN) ---equ 1

The model is presented in econometric form as follows;

$FSF_{it} = \beta_0 + \beta_1 TEN_{it} + \beta_2 OWNE_{it} + \beta_3 TURN_{it} + \varepsilon_{it--}$ equ 2

Where;FSF_{it} = Financial Statement Fraud of firm *i* in year *t;* TEN_{it} = Tenure of CEO of firm *i* in year *t;* $OWNE_{it}$ = CEO ownership of shares of the firm *i* in year *t;* $TURN_{it}$ = CEO turnover of firm *i* in year *t;* ε_{it}= Stochastic variable; β_0 = Intercept; $\beta_{1,} \beta_{2,} \beta_3$ = Parameters

Variable Measurement

Variables/ specifications	Expected Signs / Appriori Expectation	Measurements	Authors
Dependent Variable			
Financial Statement Fraud (FSF)		Proxied by discretionary accruals computed using Jones Model (1991)	Qawasmeh and Azzam (2020)
Independent Variable			
CEO Tenure (TEN)	-	CEO Tenure in Dummy (1,0) is computed as "1" for Companies that have CEOs that have to stay for 3 years and "0" for CEOs with less than 3 years of engagement	Qawasmeh and Azzam (2020)
CEO Ownership (OWNE)	+	The percentage of stocks owned by the CEO at the beginning of the year	Qawasmeh and Azzam (2020)
CEO Turnover (TURN)	-	'1' If there was change of CEO during the period of the study, otherwise '0'	Orekhova, Kudin and Kupera (2019)

Source: Researcher's compilation (2024)

4.0 Data Analysis and Interpretation

Table 4.1 Descriptive Statistics

stats	FSF	OWN	TEN	TURN
mean	-.5825958	5.893826	.6706587	.1776447
p50	-.56	.01	1	0
max	4.7	63.68	1	1
min	-7.03	0	0	0
sd	.5960672	13.44752	.4704438	.3825954
N	574	575	501	501

Source: Researchers' Computation (2024)

Table 4.1 above shows that the range of financial statement fraud is from – 7.03 to 4.7. The mean value is -0.58, the median is -0.56, with a standard deviation of 0.59. Positive discretionary accrual means that there is an income-increasing behaviour and negative discretionary accrual represents the phenomenon of income decreasing management (Abbott, et al., 2006). The table shows that CEO ownership scores is averaged 5.8% and ranges between 0% and 6.7% for the firms within the periods studied. This indicates that some CEOs have no share in the firms they are directing. CEO ownership has standard deviation of 13.44 that signifies that share ownership by the CEO has very wide variation in practice. On average, 67% of the CEO has been in office for at least three years while just 33% has been in the office for less than three years. CEO turnover has mean score of 18% with standard deviation of 38%.

Table 4.2 Normality test

Variable	Obs	W	V	z	Prob>z
FSF	574	0.65599	131.069	11.793	0.00000
TEN	501	0.99784	0.728	-0.764	0.77771
OWN	575	0.62757	142.122	11.990	0.00000
TURN	501	0.98448	5.229	3.977	0.00003

Source: Researchers' Computation (2024)

We tested for the normality of the data sets using Shapiro-Wilk W test which showed that financial statement fraud (FSF), CEO ownership (OWN) and CEO tenure (TURN) are not normally distributed since their probability .77 is greater than 5%, while CEO turnover (TEN) is normally distributed.

Table 4.3 Correlation analysis

	FSF	TEN	OWN	TURN
FSF	1.0000			
TEN	-0.0104	1.0000		
OWN	0.0217	0.3971	1.0000	
TURN	0.0049	-0.6299	-0.2850	1.0000

Source: Researchers' computation (2024)

From table 4.3 above, we discover that financial statement fraud has inverse and very low relation with CEO tenure (FSF/TEN= -0.0104). More so financial statement fraud has positive and very low correlation with CEO ownership and CEO turnover. CEO turnover has negative and strong relation with CEO tenure (TURN/TEN= -0.6299). Additionally CEO turnover has negative and low relation with CEO ownership (TURN/OWN= -0.2850). However, none of the independent variables is highly correlated with another as the correlation coefficients is not more than 0.70. For avoidance of doubt, we conduct Variance Inflation Factor to verify if truly no high correlation exists as presented below:

Table 4.4 Multicollinearity Test

Variable	VIF	1/VIF
TEN	1.74	0.576081
TURN	1.66	0.603088
OWN	1.08	0.921698
Mean VIF	1.49	

Source: Researchers' Computation (2024)

The result on table 4.4 above shows that the mean VIF is 1.49, which is far less than the acceptable bench mark VIF mean of 10. Hence we conclude from the result that no high collinearity exists among the independent variables.

Table 4.5 Heteroscedasticity Test

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity
Ho: Constant variance
Variables: fitted values of FSF

chi2(1) = 158.27
Prob>chi2 = 0.0000

Source: Researchers' Computation (2024)

The probability value of 0.000 that is less than critical value of 5% is an indication that the variance error term ishomoscedasticity. Meaning that, presence of heteroscedasticity problem was found. The problem was corrected with the application of random effect model.

Table 4.6 Omitted Variable Test

Ramsey RESET test using powers of the fitted values of FSF
Ho: model has no omitted variables
F(3, 494) = 5.66
Prob> F = 0.0008

Source: Researchers' computation (2024)

The result in table 4.6 measure the model to ascertain if it was missspecified. The rule has it that if the Probability is significant at 5% implies that there is omitted variable. The P-value of the result is 0.0008, which indicates that the model is misspecified and the use of random effect model corrected this misspecification problem.

Table 4.7 Regression Summary

	FEM Result	REM Result
TEN	-0.021(0.792)	-0.039 (0.597)
OWN	6.59 (0.999)	0. 001 (0.841)
TURN	-0.211 (0.014)***	-0.213(0.012)***
R^2	0.21	0.217
F-stat and (Prob)	12.62 (0.05)**	17.83 (0.0498)**
Hausman Test Prob>Chi2 =		0.53

Source: Researchers' Computation (2024)
Remarks: (1). *, **, *** means – statistical significance at 10%, 5% and 1% level respectively.
(2). Brackets () – represents P-values.

From the table 4.7 above, it was seen that F-statistics and its corresponding P-value were 12.62(0.05) and, 17.83(0.0498) for fixed effect model and random effect model results respectively. This shows that our model remains valid for drawing inference using any of the panel data result since they are statistically significant at 5% levels. The R-squares were shown as 0.21 and 0.217 for fixed effect model result and random effect model result respectively. These values indicate that 21% and 22% accordingly of the financial statement fraud of non-financial firms could be determined by the combination of the CEO attributes in our model.
The probability of the Hausman Test is 0.53, which implied not significant, hence we accept null hypothesis that prefer random effect model against fixed effect model of panel regression estimation for testing our hypotheses.

Test of Hypotheses and Discussion of Results
Hypothesis 1 - *CEO tenure has n significant effect on financial statement fraud of non-financial firms listed on the Nigeria exchange limited.*
The regression result of random effect shows that CEO tenure (TEN) has negative regression coefficient score of -0.039, and P-statistics of 0.598. The negative regression coefficient value implies that CEO tenure has inverse effect on the financial statement fraud of firms selected. Specifically, any additional year on the tenure of the CEO above three years would cause 0.03 unit decline on the volume of financial statement fraud content in the annual reports of the firms listed on non-financial service sectors. The result is obviously portraying that high earnings management practice is engaged by the CEO before his three years in office possibly done to present a financial statement that is appealing to enable him retain his job, and by three years, he must have acclimatized to the operations of the enterprise and must have learnt and explored the line of operation that gives the company comparative advantage. The probability value that is more than 0.05 margin of error and indicates that CEO tenure is not a major determinant of variations in financial statement fraud of the non-financial service firms. Hence the study draws its submission line by accepting null hypothesis which maintains that CEO tenure has no significant effect on the financial statement fraud of the firms sampled.

Hypothesis 2 - *CEO ownership has no significant effect on financial statement fraud of non-financial services firms listed on Nigeria exchange limited.*

The result in Table 4.7 from the section of random effect model (REM) shows that CEO ownership (OWNE) has a regression coefficient 0.001. This figure indicates CEO ownership has positive effect on firm financial statement fraud, as measured by earnings management. The result implies that one percent increase on the volume of shares owned by CEO would cause the mean of financial statement fraud to increase by 0.0016 if all other variables are held constant. More so, an attempt by the firms to reduce the volume of share ownership by CEOs will reduce the volume of financial statement fraud in the annual reports. The probability value (P>/t/= 0.841) means that CEO ownership is not significantly affecting FSF. Therefore, the study fails to reject null hypothesis that posits CEO ownership does not have significant effect on financial statement fraud of the non-financial service firms studied.

Hypothesis 3 - *CEO turnover has no significant effect on financial statement fraud of non-financial services firms listed on Nigeria exchange limited.*

The result of the analysis provides that CEO turnover scored a regression coefficient of -0.213, which indicates that CEO turnover has an inverse association with quality financial reporting of firms sampled from non-financial sectors of the Nigerian economy. The result simply implies that the firms that changed their CEO in the financial year had more financial statement fraud. The result further shows that the p-statistics (P>/t/= 0.012) is lower than 5% critical level. The statistics implies that CEO turnover is a major determinant of financial statement fraud in non-financial sector. In effect, the study upholds the alternate hypothesis which posits that CEO tenure has significant negative effect on the financial statement fraud of non-financial service firms listed on Nigeria exchange limited.

5.0 Conclusion and Recommendation

This study was premised on ascertaining the role and effect of CEO attributes on the financial statement fraud of firms listed on the Nigerian Exchange Group. For an empirical evidence to be established on how the CEO traits that includes CEO turnover, CEO tenure and CEO share ownership affect accounting earnings manipulation, the study obtained data from the annual reports of the firms sampled. Due to the unique nature of financial service sector’s financial reporting style, only non-financial service firms were chosen for the study where 68 companies were considered. Adequate test for ordinary least square regression assumption was conducted which showed that some of the assumptions were not met and that led to adoption of panel regression estimation that has the capacity to correct the data distribution challenges like absence of constant error term, estimation of the response variable by the combination of non-linear independent variables and variable misspecification error. The choice of random effect model as the better was informed by the application of the result from Hausman test. We are confident on the findings of the study that one out of the three CEO attributes namely; CEO turnover is a strong determinant of financial statement fraud. To this effect the study made the following recommendations:

1. CEOs should not be made to take up more share ownerships as a way to tying them to the sense and feeling of ownership of the organization as this practice could not make them reduce the amount of earnings management reports to please the employer syndrome.
2. For efficiency to be felt from the CEOs appointed, the shareholders are encouraged to always allow the CEOs ample time of above three years to enable them acclimatize with the operations of the organisation, exploit the opportunities available for increased profitability, which will accord them less or no need for manipulation of the financial statement through earnings management.
3. The shareholders are encouraged to relieve the CEOs their duties on the event of continuous underperformance as a way of corporate modification, otherwise CEO turnover at the point of exhausting the service periods helps reduce the occurrence of financial statement fraud across the firms studied.

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