

## **CORPORATE GOVERNANCE AND EARNINGS MANAGEMENT OF LISTED DEPOSIT MONEY BANKS IN NIGERIA: MODERATING EFFECT OF WHISTLE BLOWING**

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### **ABSTRACT**

*This paper explores how whistle blowing mechanisms can moderate the connection between the corporate governance attributes and the earnings management in the banking industry. The endurance of the issue of financial reporting manipulation has cast doubts on the ability of the governance structures to curtail both accrual and real earnings management. The paper thus examines the assertions of the presence of whistle blowing systems and their role in enhancing governance oversight in the limit of managerial opportunistic behaviour. The study based on panel data of sampled banks undertakes analysis of the association between the variables of governance and whistle blowing mechanisms on the management of accrual and real earnings through panel regression techniques using fixed and random effects estimators. The results indicate that whistle blowing has a significant moderating effect in the association between governance characteristics and earnings control that lowers both the accrual and actual earnings management. The implications of the results are that quality whistle blowing systems increase levels of governance oversight and transparency in financial reporting. The research adds to the existing literature by offering empirical evidence on the relationships between governance and whistle blowing in the restricted earnings management in the banking industry.*

**KEYWORDS:** Governance; Whistle Blowing; Transparency; Stakeholder.

*Jel Classification:* M40, M41, M42

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