

CORPORATE GORVERNANCE AND INVESTOR PROTECTION IN NIGERIA: ISSUES, REFORMS, AND POLICY DIRECTIONS

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ABSTRACT

This paper examines issues and developments in corporate governance in Nigeria and highlights the need to provide guiding principles. The paper is conceptual in nature. The study revealed different forms of corporate governance models and issues associated with corporate governance. It also examined recent developments in Nigeria. Based on the findings, it was discovered that corporate governance in Nigeria faces numerous challenges, including unethical business practices, problematic ownership structures, an ineffective judicial system, and weak regulatory and enforcement mechanisms. Therefore, the study seeks to institutionalise a corporate governance code of best practices in Nigeria. It also recommends, among other things, that the government should establish an Institute of Corporate Governance for the teaching and promotion of good corporate governance. Secondly, it recommends the establishment of a separate court to try corporate governance offenders.

Key words: Corporate Governance, Investors protection, Issues, Reforms, policy directions, Nigeria.

INTRODUCTION

Corporate governance involves the manner in which directors and managers oversee a firm and make choices, especially those that have a significant impact on the shareholders and goes beyond the functional aspects of management such as controlling and directing.

According to Chen (2022), corporate governance is the set of laws, customs and procedures that govern how an organization is run. Corporate governance generally entails striking a balance between the needs of all of a company's various stakeholders including shareholders, senior management, clients, suppliers, financiers, the government and the local community. Corporate governance can also refer to the interactions between a business's management, board of director's and shareholders that influence how well the company performs and moves forward. In order for there to be no conflict between owners and managers, there must be a good working relationship between them. The proprietors must confirm that the employee's actual performance is in line with the expected performance. It is important to consider these aspects of corporate governance (Management study guide, 2021).

According to Schleifer and Vishny (1997), corporate governance is a process that deals with how financial service providers ensure that they will receive a reasonable return on their investment. Owners and managers are clearly separated by corporate governance. The management has the final say in all decisions. Modern organizations should clearly distinguish the roles and responsibilities of owners and managers rather than combining or harmonizing them. According to Oman (2001), corporate governance entails figuring out how to make wise strategic decisions and the board of directors is given entire control and all authority. Corporate governance is necessary in the modern, market-driven economy while efficiency and globalization are important drivers of corporate governance.

To create added value for the stakeholders, corporate governance is crucial. Transparency is ensured through corporate governance which supports robust and balanced economic growth. Additionally, this guarantees the protection of the interests of all shareholders, including minority and major shareholders. It ensures that all shareholders fully exercise their rights and that the organization fully recognizes their rights. The field of corporate governance is very vast. It has both institutional and social components. Corporate governance promotes an ethical, moral and reliable environment (Management Study Guide, 2021). Corporate governance which includes almost every aspect of management from action plans and internal controls to performance assessment and corporate transparency, serve as the framework for achieving company's goals. To put it another way, governance explicitly refers to the collection of regulations, checks, policies and resolutions implemented to regulate business behavior. In governance, a board of directors is essential. Shareholders and proxy advisors are significant stakeholders with influence over governance. Corporate governance refers to the guiding principles that a business

establishes to guide all of its operations, including compensation, risk management and employee treatment as well as reporting unfair practices and managing environmental impacts (Chen, 2022).

A corporation that adheres to the principles of good corporate governance will act in a way that is honest and transparent and that benefits all of its stakeholders. Investors may use it to highlight a possible investment. Scams and insolvency are frequent outcomes of poor corporate governance, which causes a company to collapse. Investor and community relations are crucially dependent on how well a company communicates its corporate governance. As an illustration, some businesses provide information on their corporate leadership (including the members of their executive team and board of directors) which includes the committee charters and governance papers such bylaws, rules for stock ownership and articles of incorporation. Excellent corporate governance is a goal for most businesses. The mere fact that a corporation is profitable is insufficient for many stockholders. Additionally, it must exhibit excellent corporate citizenship by consideration for the environment, moral conduct, effective corporate governance procedures (Chen, 2022).

CONCEPTUAL REVIEW

It is on record that the British introduced businesses and corporations to our economy during the colonial era thus indicating that the history of corporations is not indigenous to pre-colonial Nigeria. The Companies' Ordinances of 1922 and the British Company Act of 1948 which governed those corporations were products of the British or Anglo-Saxon legal system. The provisions in our 1968 Company Act are comparable to those in the 1948 Act of Great Britain. The Companies and Allied Matters Act was passed in Nigeria as the country's first significant indigenous attempt to govern corporations (CAMA, 1990). When it comes to addressing corporate governance concerns in Nigeria, the Companies and Allied Matters Act (1990) was intended to serve as our guide. However, due to its inherent flaws, particularly in the area of consequences for violating its provisions, it became clear that we needed to look elsewhere.

Following the United States' adoption of Sarbanes-Oxley Act 2002, the Securities and Exchange Commission (SEC) inaugurated the Atedo Peterside Committee in 2003, marking the beginning of a significant effort to address this issue in Nigeria. As the code's requirements were voluntary and did not come with any penalties, this committee was limited in what it could accomplish. Later, we had a number of corporate governance codes including those from the Securities and Exchange Commission (SEC Code, 2006), Central Bank of Nigeria (CBN) Code of Corporate Governance (2006) and National Insurance Commission (NAICOM) Code of Corporate Governance, before the Financial Reporting Council (FRC) of Nigeria introduced a unified code, the National Code of Corporate Governance (NCCG), in October 2016.

However, in 2018, The Financial Reporting Council of Nigeria published the "Nigerian Code of Corporate Governance" (NCCG) which replaced all previously existing sectorial Codes of Corporate Governance in Nigeria (Ogbamosa, 2018).

THEORETICAL FRAMEWORK

A sound system of corporate governance is important to ensure that managers and director of companies carry out their duties within the framework of accountability and transparency (Committee on Corporate Governance, 2003). The whole essence of corporate governance is to assure transparency, investors protection full disclosure of executive actions and corporate activities to stakeholders, environmental impact assessment of corporate activities, assurance of performance related to executive compensation and full disclosure of executive compensation (Osaze, 2007). Corporate governance issue took centre stage after the collapse of Eron Corporation and MCI incorporation (formerly worldcom) in the USA and the subsequent enactment of the Sarbanes-Oxley (SOX) act No. 404 in July, 2002. In response to the failure of Enron corporation in 2001, the 7th largest company in America at the time, Senator Paul Syprose Sarbanes, the Chairman of the Senate Committee on Banking, Housing and Urban Affairs, in collaboration with congressman Michael Oxley, held a series of hearings that resulted in the passage of a bipartisan bill designed to reform the accounting industry and restore the investor confidence that has been eroded following the collapse of Enron. The public company accounting reform and investors protection Act, also called the "Sarbanes-Oxley Act" (SOX) was signed into law in July 30, 2002 (Osaze, 2007). According to Nana and Omorokpo (2011), comparable failures in Australia (HIH, One Tel) resulted to the eventual passage of the CLERP reforms.

In 2003, the committee on corporate governance of public companies in Nigeria (CCGPCN) was formed with the mandate to identify weaknesses in corporate governance practices in Nigeria and fashion out necessary changes that will improve Nigeria's corporate governance practices, such as the enhancing of corporate discipline, transparency and accountability (Ejুবekpokpo & Esuikе, 2013).

In 2008, the Securities and Exchange Commission (SEC) inaugurated a national committee chaired by M.B Mahmond for the review of the previously issued 2003 code of corporate governance for public companies in Nigeria to address its weakness and to improve the mechanism for its enforceability (Ejুবekpokpo & Esuikе, 2013). The board of SEC believes that the new code of corporate governance will ensure the highest standard of transparency accountability and good corporate governance in Nigeria. The widespread of corporate scandals and

failure that were witnessed in the late 1990s and the early 2000s had their root in dishonest management decisions and in some cases outright cover-ups of illicit activities (Sanusi, 2003)

PRINCIPLES OF CORPORATE GOVERNANCE

Although there are no restrictions on the number of guiding principles that can exist, some well-known ones are

(i) **Fairness**

The board of directors must treat all stakeholders fairly and equally including shareholders, employees, suppliers and communities.

(ii) **Transparency**

The board should notify shareholders and other stakeholders in a timely, accurate and understandable manner about items like financial performance, conflicts of interest and hazards.

(iii) **Management of Risk**

The board and management must decide how to appropriately manage and control risks of all kinds. They must act on those recommendations to manage them. The presence and status of hazards must be communicated to all pertinent parties.

(iv) **Responsibility**

The board is in charge of regulating business operations and management tasks. It must be aware of and support the business's successful ongoing performance. Finding and hiring a CEO is one of its responsibilities. It must act in the best interests of a company and its investors. The board of directors should also ensure the organization complies with the relevant laws where it operates.

(v) **Accountability**

The purpose of a company's operations and the outcomes of its behavior must be disclosed by the board. It is responsible for evaluating a firm's capability, potential and performance along with the company leadership. It must let stockholders know about important matters. Directors should answer to the owners of the company for the actions of the company they oversee.

(vi) **Independence**

Each director ought to be autonomous. No conflict of interest should exist. A director should not, for instance, participate in the sale of an asset to another firm if they are also directors of that other company.

(vii) **Honesty**

The directors are responsible for safeguarding the interests of the company's shareholders and instilling in them a sense of security.

(viii) **Integrity**

When making decisions that will affect the company, moral and ethical considerations should be taken into account (Chen, 2022).

CORPORATE GOVERNANCE MODELS

Some of the different forms of corporate governance model are the shareholder's model, continental model, Japanese model and social control model.

(i) **The Shareholder Model**

Under the shareholder model, the shareholders and board of directors are in charge. Despite being acknowledged, stakeholders like suppliers and employees have no control. It is the responsibility of management to conduct the business in a way that maximizes shareholder interest. Importantly, the right incentives must be made available in order to match management conduct with shareholder/owner interests. The model takes into account the reality that shareholders support the company financially but have the option to stop doing so if they are unhappy. This can keep management working efficiently and effectively. Both insiders and independent members should be on the board. Despite the fact that traditionally the CEO and board chairman could be the same person, this model aims to have two different people fill those positions. The board, company management and shareholders must stay in constant communication for this corporate governance model to succeed.

(ii) **The Continental Model**

Under this Model, two groups stand in for the governing body or controlling authority. They are the management board and the supervisory board. The management board in this two-tiered structure is made up of employees, including executives who work for the company. Outsiders from the community, such stockholders and union representatives make up the supervisory board. Representatives from banks with ownership interests in a corporation may also sit on the supervisory board. The two boards continue to be wholly independent. The law of a nation determines the size of the supervisory board. Shareholders are unable to alter it. With this system of corporate governance, national interests have a significant impact on firms. It is reasonable to anticipate that businesses will support government goals. This model also values stakeholder involvement highly because it can help a business continue to operate and grow.

(iii) The Japanese Model

The big shareholders also known as keiretsu who may have investments in common companies or business contacts, management and the government are the main participants in the Japanese model of corporate governance. No position or voice is given to smaller, independent and individual stockholders. These major players work together to define and regulate corporate governance. Insiders, including corporate executives, typically make up the board of directors. If profits drop, the big shareholders (keiretsu) have the power to fire board members. By way of its laws and policies, the government has an impact on how business management conducts itself. Given the concentration of power and the focus on the interests of those in positions of power, this paradigm makes corporate transparency less likely.

(iv) Social Control Model

The Social Control Model of corporate governance supports complete stakeholder representation on the board of directors. This model states that establishing a stakeholder board in addition to the shareholders' chosen board of directors would enhance the internal control framework for corporate governance. Members of the stakeholders' board include representatives from lenders, big customers, major suppliers, major shareholders and employees.

ISSUES IN CORPORATE GOVERNANCE

Corporate governance is the balance between the interests of the various constituencies within the corporate structure, including the board of directors, shareholders, and the general public. Corporate governance directly affects a company's earnings and reputation and having bad policies can put it at risk for legal action, financial penalties, reputational harm and lost capital investments. Some issues that can affect corporate governance policies includes;

(i) Conflict of Interest

Conflicts of interest must be avoided. When an officer or a controlling member of a corporation has other financial interests that squarely conflicts with the goals of the corporation, that situation is referred to as a conflict of interest within the context of corporate governance. A board member of a solar company, for instance, who also owns a sizable amount of stock in an oil company has a conflict of interest since, despite serving on a board that promotes the growth of sustainable energy, they personally benefit financially from the oil industry's success. Conflicts of interest erode public and shareholder confidence and leave a firm open to legal action when they exist.

(ii) Regulatory Issues

The board of directors must have extensive oversight of the company's operations in order for corporate governance to be effective. A comprehensive definition of oversight includes both the executive team's reporting to the board and the board's awareness of the company's daily operations and the means by which its goals are being met. The board serves as a check on the executive staff to preserve the interests of the shareholders. Without this control, company workers could break state or federal law, incur heavy fines from regulatory bodies and harm their public image.

(iii) Accountability Issues

For corporate governance to be effective, accountability is required. Every level and division of the company, from top executives to lower-level workers should report to and be responsible to one another as a system of checks and balances. Above all, the shareholders and the general public are held accountable for the actions of each level of the corporation. Without accountability, one segment of the company could jeopardize its overall profitability or make stockholders lose interest in maintaining their investment.

(iv) Transparency

A company must accurately record its profits and losses and make those numbers available to individuals who invest in it in order to be transparent. The company's relationship with stockholders may be adversely harmed if profits are overstated or losses are minimized since investors may be persuaded to make investments under false pretenses. A corporation that lacks transparency may also be subject to regulatory agency sanctions.

(v) Ethical Obligation

The executive board members have an ethical obligation to act in the stockholders' best interests. A corporation also owes it to its moral principles to safeguard the social welfare of others especially the larger community in which it operates.

CASES OF BAD CORPORATE GOVERNANCE PRACTICES

(i) Volkswagen AG

Ineffective corporate governance can raise questions about a company's dependability, honesty, or duty to shareholders. The financial stability of the company may be affected by all of these. Scandals like the one that rocked Volkswagen AG beginning in September 2015 can be caused by tolerance for or encouragement of criminal activity. The "Dieselgate" scandal's findings showed that the manufacturer had been manipulating pollution test results in America and Europe for years by purposefully and systematically rigging engine emission

devices in its vehicles. In the days after the scandal first broke, Volkswagen's stock lost roughly half of its value. In the first full month after the news, its global sales decreased by 4.5%. The rigging of the emissions was made possible by the board structure of VW, which also explains why it wasn't discovered sooner. The majority of businesses typically have a one-tier board structure; however VW has a two-tier structure made up of a management board and a supervisory board. The supervisory board's role was to oversee management and provide final approval to major corporate decisions. It lacked the autonomy and power to perform these responsibilities, though, in an effective manner. A sizable part of shareholders made up the supervisory board. Members of the board had 90 percent of the voting power among shareholders. Real independent oversight was lacking. As a result, shareholders took charge and defeated the supervisory board's goal of monitoring management and staff and how they performed their duties. This gave rise to the manipulated emissions.

(ii) Enron

Government and public interest in corporate governance tends to be on the increase. The interest in the topic is frequently rekindled, nevertheless, by widely reported allegations of corporate wrongdoing. Corporate governance, for instance, became a crucial issue in the United States at the beginning of the twenty-first century as a result of deceptive activities that led to the bankruptcy of renowned businesses like Enron and WorldCom. Enron's chief financial officer (CFO), Andrew Fastow, was given permission by the company's board of directors to form independent, private partnerships to conduct business with Enron, which violated numerous conflict-of-interest laws. Enron's liabilities and debts were concealed using these private partnerships. They would have severely decreased the company's profits if they had been properly accounted for. The creation of entities that concealed the losses was made possible by Enron's lack of corporate governance.

(iii) Lever Brothers Nigeria Plc and Cadbury Nigeria Plc

These are cases of gross abused of corporate governance as reported in Nigeria. Under the leadership of late chief Rufus Giwa of Lever brothers Nigeria Plc and Mr Bunmi Oni of Cadbury Nigeria Plc, abused of corporate governance principles by the management of the companies in the Late 1980s were well publicized (Ejubekpokpo & Esuika, 2013). In the case of Cadbury Nigeria Plc, the Securities and Exchange Commission (SEC) was reported to have decided among other measures that the company should pay fine for several breaches of the corporate governance codes established against the company

CURRENT DEVELOPMENT IN CORPORATE GOVERNANCE

There are several intriguing, recent trends that are placing heavy strain on the corporate governance activities within firms of all sizes, these include:

(1) The "Great Resignation"

The "Great Resignation," as it is known, has produced a setting where the whole nature of labor and work (as we once knew it) has transformed. When planning to hire, businesses must take remote and hybrid working arrangements into account. Since employers are no longer obligated to hire employees who reside within commuting stance of the nearest office, this has created issues but also opened the door to a far wider talent pool.

(ii) Climatic Changes

Many organizations are recognizing at the top levels that concerns from climate change go beyond those posed by the environment. Due to the effects on the physical climate, transition risks brought on by regulations, and potential reputational harm, it might pose existential hazards to corporate operations. It is essential to have BOD representation with some ESG experience in order to navigate the ESG disclosure landscape and prevent the perception of greenwashing because so many firms are making commitments to achieve "Net Zero" or even carbon neutral emissions targets.

(iii) Geopolitical and Economic Uncertainty

A number of variables have come together to cause supply chain turmoil and ensuing economic uncertainty on a worldwide scale, including Russia's invasion of Ukraine in 2022 and strained ties between the US and China, two of the world's economic heavyweights. A competent leadership team and efficient corporate governance function must spot opportunities and seize them, while also recognizing and appropriately reducing risks.

(iv) Technological Advancement

The environment of practically every firm has changed as a result of technical improvements in a world (and economy) that is becoming more and more digital. Organizations must take these challenges seriously because employees, consumers, and other stakeholders are becoming more and more worried about privacy. The adoption of communication tools, the secure storage of sensitive data, and general data protection and integrity are all hot concerns in boardrooms all over the world.

(v) Board and Management Responsibilities

In general, the Board of Directors (BOD) is in charge of establishing plans and objectives as well as prescribing policies for the firm (while also overseeing their implementation). Management is in charge of directing the day-to-day business activities of the organization in order to carry out these objectives. The BOD is also in charge of establishing the remuneration plan for the management team and monitoring their performance

(Kyle, 2022). The BOD and management must have their responsibilities clearly defined in order for corporate governance to operate well.

CHALLENGES OF CORPORATE GOVERNANCE IN NIGERIA

Corporate governance in Nigeria faces numerous difficulties. They include things like unethical business activities, ownership structures, sluggish and ineffective court systems, and a lack of regulatory body enforcement tools. According to Ogbamosa (2018) other challenges includes:

(i) Corrupt Practices

One of the main obstacles to Nigeria's corporate governance system functioning well is corruption. It is a common misconception that you must provide a bribe in order to obtain something, especially from government or public officials. Therefore, managers of private businesses cannot do so without engaging in corrupt activities if they need to get certain permissions or waivers from the government. Everywhere there is corruption. Even highly respected individuals in the public and corporate sector engage in the same habit. Despite all attempts by previous administrations, particularly those under the military rule of the late General Murtala Muhammad and Olusegun Obasanjo; little has been done to reduce corruption in the nation. Corporate governance practices in the nation are still in jeopardy as a result of this predicament. Corruption is Nigeria's biggest obstacle to effective corporate governance.

(ii) Companies Ownership Structure

It is on record that the British companies dominated the Nigeria's private sector during the colonial era. Fostering domestic ownership and control of the Nigerian private sector was one of the main economic liberation (development) strategies that the then Nigerian government immediately pursued after achieving political independence. This has historically had important ramifications for corporate governance. The resulting indigenous owners and major shareholders were able to carry out several corruption deals at the expense of minority investors because significant foreign ownership that might have served as external checks and balances was restricted.

However, it should be noted that despite the 1972 and 1977 Nigerian Enterprises Promotion Act's restrictions on foreign ownerships; foreign participation was still permitted to a maximum of 60% or 40%, depending on the industry. In fact, many foreign corporations were still able to come up with plans (like purchasing stakes through local investors or indigenous businesses to get around the rules and hold percentages in Nigerian organizations higher than what the law allows (Achebe, 1989). Thus, it is crucial to weigh the pros and cons of restricting foreign ownership, particularly in the light of recent corporate scandals like those involving Cadbury Nigeria in 2007, Halliburton in 2008, and Siemens bribery in 2009.

(iii) The Nigerian Judicial System

The Nigerian judicial system is corrupt, in addition to being slow, ineffective, and expensive. Prior to judgment being issued, court matters typically drag on for 10 to 20 years. Most often, those involved in the instances are either too old or may have passed away. How can an ordinary Nigerian receive justice from such a system if the level of corruption in the judiciary has gotten so bad that Supreme Court Justices and Senior Advocates are being tried for involvement?

(iv) Political Environment and Instability

Nigeria gained democratic independence over 64 years ago, but the nation has been governed by the military for 33 of those years. The people who have had access to power in the last 62 years make up the majority of the political class in this emerging democracy. Both the politics and the economy are under their control. Where they don't own a company outright, they do so through chosen directors who act as their surrogates. The activities that take place in the director's boardrooms are significantly influenced by these political elite. Beyond this, the federal government controls the majority of Nigeria's strategic businesses, particularly those in the oil and gas industry. It is not difficult to predict what would happen to corporate governance in such businesses if a corrupt and bureaucratic civil service were in charge.

(v) Weak Regulatory and Enforcement Mechanism

In order to improve corporate governance, regulatory organizations must be strengthened as well as firms' ability to select qualified board members. It does not bode well for regulation when a regulatory body is burdened with too many responsibilities, as is the case with the CBN, and is weakened by political concerns. The CBN is in charge of overseeing the banks, but it also develops monetary policies, issues currency, advises the government on fiscal and monetary issues, oversees the nation's payment and settlement system, creates banking regulations, acts as a banker to other banks, and promotes swift economic growth (Wilson 2006; Inyang 2009). This obviously overtaxes the CBN and diverts its attention from its primary responsibilities.

(vi) Ignorance of Minority Shareholders

The majority of minority shareholders are illiterate and uninformed about the laws governing company conduct. In addition to having trouble interpreting the numbers, they also lack basic understanding of corporate ethics. They are therefore unable to confront the board of directors and management about the unethical behavior and shady dealings occurring in the businesses in which they have stakes.

(vii) Poverty

Nigeria is one of the world's poorest countries despite having abundant natural resources that were given to us by God. People then inevitably experience illnesses, famine, and premature death. Is it surprising that Nigeria has the largest population of religious adherents worldwide? The followers can at least eat from the word of God if our leaders are unable to solve our issues with what God has given us. As a result, our religious institutions have the highest population worldwide. Since whistleblowing is one of the ways that good corporate governance can be promoted, the average Nigerian will find it difficult, if not impossible, to engage in it.

(viii) Disobedience to the Rule of Law

Most of our institutions, including corporate organizations, hardly abides by the rule of law. No corporate organization can be said to be fair if it does not adhere to the fundamental principles of the rule of law, which include respect for each individual's human rights, equality before the law, and supremacy of the law. Even their corporate governance regulations are broken by them.

NIGERIAN CODE OF CORPORATE GOVERNANCE

The Nigeria code of corporate governance seeks to institutionalize corporate governance best practices in Nigeria companies. It is aimed at increasing level of transparency, trust and integrity, and create an environment for sustainable business operation. The code adopts a principle based approach in specifying minimum standard of practice that companies should adopt. The following are some of the principles that a company should adopt in carrying out its business operations, according to the Nigerian code of corporate governance 2018.

- A. Principle 1: Role of the Board:** A successful company is headed by effective board which is responsible for providing entrepreneurial and strategic leadership as well as promoting ethical culture and responsible corporate citizenship. As a link between stakeholders and the company, the board is to exercise oversight and control to ensure that management gets in the best interest of the shareholders and other stakeholders while sustaining the prosperity of the company.
- B. Principle 2: Board Structure and Corporation:** the effective discharge of the board and its committees is assured by an appropriate balance of skills and diversity without compromising competence, independence and integrity.
- C. Principle 10: Board Meetings:** The principal vehicle for conducting the business of the board and successfully fulfilling the strategic objectives of the company is through its meeting
- D. Principle 11: Board Committee:** To ensure efficiency and effectiveness, the board delegates some of its functions, duties and responsibilities to well-structured committees without abdicating its responsibilities.
- E. Principle 15: Corporate Governance Evaluation:** Institutionalizing a system for evaluating the company's corporate governance practices ensures that its governance standards practices and processes are adequate and effective.
- F. Principle 17: Risk Management:** A sound framework for managing risk and ensuring an effective internal control system as essential for achieving the strategic objectives of the company.
- G. Principle 18: Internal Audit:** An effective internal audit function provides assurance to the board on the effectiveness of the governance, risk management and internal control systems.
- H. Principle 20: External Audit:** An external auditor is appointed to provide an independent opinion on the true and fair view of the financial statements of the company to give assurance to stakeholders on the reliability of the financial statement.
- I. Principle 23: Protection of Shareholder Rights:** Equitable treatment of shareholders and the protection of their statutory and general rights particularly the interest of minority shareholders promote good governance.
- J. Principle 26: Sustainability:** Paying adequate attention to sustainability issues including environment, social occupational and community health and safety ensures successful long term business performance and projects the company as a responsible corporate citizen contributing to economic development.
- K. Principle 28: Disclosures:** Full and comprehensive disclosure of all matters material to investors and stakeholders, and of matters set out in this codes ensures proper monitoring of its implementation which engendering good corporate governance practice.

CONCLUSION

The Nigerian Code of Corporate Governance, which was developed through the joint efforts of the Securities and Exchange Commission (SEC) and the Corporate Affairs Commission (CAC), is aimed at inculcating the principles of corporate governance. It seeks to ensure transparency, accountability, and fairness in the directorship and management of companies in the country by providing guidelines on issues such as the separation of the roles of the CEO and the Chairman of the Board, the selection of directors, the composition and responsibilities of the board and its committees, and transparency in both financial and non-financial reporting.

However, if Nigerian investors and shareholders are to be assured of protection against the malfeasance of corporate managers in limited liability companies and public institutions, corporate governance must be made compulsory and compliance strictly enforced.

RECOMMENDATIONS

For good corporate governance to have a meaningful impact in Nigeria, the following are recommended for implementation:

- ✓ The government should establish institute of corporate governance for the teaching and promoting good corporate governance.
- ✓ The government should establish a separate court to try corporate governance offenses.

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