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Corporate Social Responsibility Accounting Of Banks and Insurance Companies in Nigeria (2007-2016)

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Abstract: *The study examines corporate social responsibility accounting of bank and insurance companies in Nigeria. The research design adopted for the study is expo factor research design. The population of the study consists of all the 16 banks and 40 companies quoted in the Nigeria Stock Exchange as at December 2018. The research design adopted for the study is expo facto research design. A sample of 11 banks and insurances companies each was selected base on their size from the population of the bank and insurance companies. Data for the study were obtained from annual reports for the period of ten (10) years ranging from 2007 to 2016. Independent sample test was used to compare the social responsibility expenditure of insurance companies with those of banks. It was established that there was significant difference in the social responsibility expenditure of banks and insurance companies in Nigeria. The implication of the finding could be linked to lack of legal prescriptions and ignorance of the benefits of social accounting and reporting. The study recommends among other that management should be proactive and that FRC should come up with clearly defined regulatory frame work on how to go about social responsibility issues in Nigeria and should ensure its full implementations. The study concluded that insurance companies have existence of corporate social responsibility policy; varied nature of social responsibility activities which translated into the different ranges of coverage of social report, approach to corporate social accounting, areas of social initiative, furthermore none of the insurance companies stated their approaches to measurement of social contribution.*

Keywords: Corporate social responsibility accounting, social cost/expenditure, Stakeholde**r**

1. INTRODUCTION

The classical scenario of the business accounting for it activities to the stakeholders have more recently witnessed the appearance of interest groups. The interest groups include workers investors, the tax authorities, the host communities and non- governmental organizations. Thus, instead of only having a financial responsibility before its shareholders, it has moved towards a situation where a company has a social responsibility before its stakeholders. (Purnomo & Widianingsih, 2012), argued that organization social responsibility is represented by a series of obligation to not only safeguard its own interest (economic an effect upon owners, employers, but to be accountable to society's well being (local communities, environment, and national interests). (Osisioma, Nzewi, & Nwoye, 2015) added that the survival of every business depends on the accomplishment of these objectives. The two broad categories of business objectives expected to be accomplished include economic objectives and social objectives. While economic objectives are the targets to be accomplished in the marketing efforts of an organization, social objectives are associated with the aims of an organization towards satisfying the interest of its shareholders, employees, and the general public. (Nzewi, Nzewi, & Okerekeoti, 2013) added that social accounting is the process of communicating the social effects of organizations' economic actions to particular interest groups within a society and to the society at large. Social responsibility accounting emphasizes the notion of corporate accountability and in this sense can be seen as an approach to reporting a firm's activities with emphasis on the identification of socially relevant behaviour. (Abdulrahman, 2014) reaffirmed that companies in the cause of discharging their day to day activities for the purpose of profit realization should also take into consideration the effect of their activities on the members of the society in which the companies are residing and the environmental sustainability of their operations. (Makori & Jagongo, 2013) avow that the nature of financial accounting has led to, in recent years a serious debate that business activity should conform to socially, desirable ends. In Nigeria, many organizations in one way or the other have show some levels of interest in their social responsibility but have not given the needed financial reporting touch to these expenses. Most of the disclosures are done via the director's report or notes to the accounts but they are not explicitly disclosed or made to be part of the financial statement. Also, Nigeria insurance companies are still uncertain about the benefits of social reporting and the use of social reporting information benchmark has not been widely practiced.

Against the above backdrop, this study is undertaken with a view to ascertain corporate social responsibility accounting of banks and insurance companies in Nigeria.

2. STATEMENT OF THE PROBLEM

Before now it is believed that it is only company that their activities adversely affect the environment that should be socially responsible. This has change over the years as some country has made it mandatory for business to be socially responsible without which they cannot do business. For Insurance and Bank Company, their activities have to do with rendering of services and as such do not destroy the environment. Business organization are expected to record expenses it incurs in the running of the enterprise. However, sufficient expenses may not be incurred by an organization to settle its daily economic, social and environmental problems. It is unethical for organizations not to incur or to incur insufficient expenses on such items as personnel safety and the destruction of the environment. It is also contrary to International Financial Reporting Standard (IFRS) on the disclosure convention for an organization to exclude social responsibility matters in annual reports. Presently, there is no existing accounting standard in Nigeria for reporting on corporate social responsibility accounting and this has made organizations to adopt different approaches, policies, and philosophies on social responsibility reporting. Although, with the adoption of IFRS more of social cost are being reported in the director's report and it is very scanty, less of quantitative information.

3. OBJECTIVES OF THE STUDY

The main objective of the study is to determine the significant difference in the social responsibility expenditure of the bank and insurance companies in Nigeria.

4. RESEARCH QUESTIONS

To achieve the specific objective of this study a research question was raised:

1. To what extent is social responsibility expenditure of the bank and insurance companies differs in Nigeria?

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5. REVIEW OF RELATED LITERATURE

5.1. Corporate Social Responsibility (CSR)

(Bowen, 1953), called the "Father of Corporate Social Responsibility" by (Carroll, 1979), offered an initial definition of social responsibilities. He said that social responsibilities of a business refer to the obligations of a firm to pursue policies, to make decisions, or to behave according to some lines which bring positive values to society (Carroll, 1979). From then on, corporate social responsibility became a new field to study for both the sake of enterprises and the benefit of the society.

(Davis, 1960) kept studying CSR and he presented "businessmen's decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest". Although Davis did not clearly identify what should be included in the scope of CSR, he pointed out that other than pursuing profit, firms should also do well to the society. (Saeid, Zabihollah, & Zahra, 2015) defined CSR referring to more detailed aspects: "The idea of social responsibilities supposes that the corporation has not only economic and legal obligations but also certain responsibilities to society which extend beyond these obligations.

CSR is viewed from different perspectives and angles. The perspectives vary from individual authors to organizations and as a result there is no generally accepted unified definition of the concept. But, on critically viewing the various definitions given one could observed that they are centered on three major premise as stated by (Wissink, 2012). These premises are corporate relations to economic, societal and environmental sustainability. It is on this basis that several terms like corporate conscience, good corporate citizenship, business responsibility, business citizenship, social performance, sustainable responsible business, community relations, and responsible business are used to connote CSR. Corporate social responsibility arises out of the interdependence of an organization with the society and the environment where it is operating (Servaes, & Tamayo, 2012).

5.2. Social Responsibility Accounting

The communicating of the extent to which an organization is meeting its stated social ethical goals, This implies that the reports submitted by financial accounting systems reflect a company's performance according to certain perspectives, consider profitability and financial power of the business as a success or failure index, and pay more attention to making profit for such groups as:

i. Active or passive investors
ii. Business managers
iii. Active or passive creditors
iv. Governmental organizations
v. Customers
vi. Sales persons

To counter the lack of attention to social benefits and the effect of business practices on the environment, by the 1960s a new concept called social responsibility accounting was proposed in the theoretical field of accounting.

(Ogunkade & Mafimisebi, 2011) mentioned this concept in their writing. Jerry Anderson could be called the father of this field of accounting. In the United States, social responsibility accounting emerged in the 1970s when the American Accounting Association established a committee to evaluate the obstacles to and difficulties of measuring and reporting social responsibility (Moon, 2002) mentioned that using CSR in a firm can lead to attracting customers and can provide a good business strategy. Now, after four decades, the debate over social responsibility is still in its infancy. Most papers have been descriptive, have not focused on administrative problems, and have not provided suitable approaches for managers.

The current business environment contains risks for accounting and accountants. With the increase in the importance of environmental issues, social responsibilities, reporting, and risk management, accounting needs have changed (Ijeoma & Oghoghomeh, 2014). Accountants play a vital role in organizations in fields related to social responsibilities, including reporting, transparency, moral discipline, adherence to laws, relationships with beneficiaries, and resource consumption. Social responsibility accounting includes compiling, measuring, and reporting social commitments and other transactions and the mutual effects of these transactions between corporations and their surroundings.

5.3. Need for Social Responsibility Accounting

There is need for social responsibility accounting because its reporting process is advantageous to the reporting organization as well to the stakeholders (Nkanbra & Okorite, 2007; Omoye, 2006). Furthermore, (Nkanbra & Okorite, 2007) observes that the need course or social responsibility accounting "arise because of the problems created by organizations in the course of carry out their operations". Some of the problems caused by organizations that necessitate social responsibility accounting include:

i. Environmental pollution
ii. Erosion, denudation, massive destruction of vegetation
iii. Dislodgement of communities, example, the people of old Finima (River State) were dislodged while sitting NLNG at Bonny, and
iv. Exploitation of workers in pursuit of profit maximization.

The need for social accounting reporting arises due to the need to reflect how organizations have responded to the alleviation of problems created by them.

5.4. Challenges of Implementing Social Accounting

The major challenges towards implementing social accounting in organization according to (Selvi, 2007; Marcia, Otgontsetseg, & Hassan, 2014) are;

i. Issue of measuring the value additions to resources that is invested in social processes
ii. Issue of inventing a social book-keeping system
iii. Issue of establishing a social accounting report format which integrates both narrative as well as financial report which could be independently verified and generally acceptable.

5.5. Review of Empirical Studies

(Ojo, 2012) focused on the social responsibility of business organizations in Nigeria by examining the extent of involvement of organizations toward the concept of CSR with a view of recommending the strategic importance of being socially responsible to all stakeholders. The study employed the annual reports and accounts of randomly selected 40 limited liabilities companies out of 209 companies as at July 2007 by means of secondary data within the range of 2002-2006 and by the techniques of regression and Analysis of Variance (ANOVA) comparison is made of their turnover with the total investment in social responsibility. The result revealed that those selected companies have contributed infinitesimal amount of their gross earnings in social responsibility. Thus, the study recommends that the concerned organizations should increase their involvement in social responsibility as could lead to boosting their reputational capital

This study carried out by (Okafor, Hassan & Hassan, 2008) on environmental issues and corporate social responsibility with Nigeria as a case study, data were analyzed using ANOVA, the study reveals that industrial activities have adversely affect the environment creating serious discomfort to the inhabitants especially in the oil producing area of which there is urgent need to seriously address the problem.

(Ramaprakash, & Rajaram, 2017) examines an analysis of corporate social responsibility initiative of selected manufacturing companies in Karanataka. India's top 500 companies' reports were selected for this study. A total of 14 manufacturing companies from Karanataka figured in Dun and BradStreet's report were use for the study. Data were analyzed using Predictive Analysis Software Statistics 18 and Cochran's Q test. Findings show that there is significant difference in the orientation of corporate social responsibility initiative of the selected manufacturing companies in Karanataka. The study concluded that the new companies Act 2013 has redefined the way companies operate in India as against the previous practices where companies were focusing on increasing the value of shareholders.

(Olowokudejo, & Aduloju, 2011) making use of survey data analyzed with t test discovered that involvement in corporate social responsibility have positive relationship with organizational effectiveness and therefore, conclude that being socially responsible can help companies succeed, increase their profitability and overall performance.

(Akano et al., 2013) examined the various types of social responsibility activities information that were disclosed by Nigerian commercial banks and the factors that determine the level of disclosure in their annual reports and accounts. The sample size consists of thirteen commercial banks that have been licensed to operate in Nigeria by Central Banks of Nigeria and are quoted on the Nigerian Stock Exchange as at 2009. Out of these, twelve banks are Nigerian banks and one is international. The data used for this study was collected through "content analysis" of annul reports of these banks and results of descriptive statistics indicate that the banks disclosed more information on human resources and community involvement and very low information on environmental, product quality and consumer relation. The outcome of multivariate analysis suggests that value of total assets have positive relationship and statistically significant with the level of corporate social responsibility activities disclosure. Gross earnings and number of branches are positively and significantly related with Corporate Social Responsibility Disclosure (CSRD) level.

(Gunu, 2008) studied the influence of corporate social responsibility on the performance of banks by using Zenith bank as the case study. The study considered CSR as the independent variable while profit after tax (PAT), total assets (TA), dividend (DIV) and gross earnings (GRE) as the individual dependent variables. The study used secondary data from financial statements of Zenith Bank within the period of 2002-2006 and by means of simple regression analysis the study finds that corporate social responsibility is significantly related to PAT, DIV, TA and GRE. It was recommended that organizations should make efforts to be socially responsible in order to ensure harmony in the communities in which they are operating.

(Hosseyn, Kobra, & Ali, 2012) carried out a study on the assessment of social reporting on behalf of accepted corporations listed in Tehran stock Exchange in Iran. The study employed a descriptive and inferential statistical technique, conducting research on a number of companies listed in Tehran Stock Exchange 451 companies; only 356 companies traded on the Stock Exchange were open. Conclusions of research indicate that factors such as lack of appropriate accounting information system, lack of awareness of managers about the social cost and nonexistence of legal standards and high social reporting costs causes the avoidance of social reporting on behalf of Iranian corporations.

(Akindele, 2011) carried out a study on corporate social responsibility as an organizational tool for survival in Nigeria by examining four major banks in Osogbo, Osun State in order to identify the extent of participation of the banking industry in CSR using primary source of data collection procedure through the administration of questionnaire. Frequency distribution was used to analyze the data and the findings of the study revealed that about 90% of the participants indicated that the extent of participation of the banks in social responsibility activities is high.

A critical assessment of environmental issues and corporate social responsibility in Nigeria, the Niger Delta region as case study was undertaken by (Egbe, & Paki, 2011). The researchers made use of survey research method which involves primary source of data collection, data analyzed with regression and came up with the findings that oil companies activities in the region have had destructive effect on the environment and conclude that oil companies operating in the region has done little or nothing in minimizing the difficulties of the host communities.

(Uadiale, Uwuigbe, Ajayi, 2011) examined the impact of CSR activities on financial performance in developing economies. The study considered employee relations (ER), company performance (CP) and environmental management system (EMS) to be the independent variables, while the individual dependent variables were measured with Return on Equity (ROE) and Return on Assets (ROA) in Nigerian companies. The study used a sample of forty audited financial statements of quoted companies in Nigeria. The results showed that CSR has a positive and significant relationship with the financial performance measures.

(Bolanle *Olanrewju ,Muyideen*, 2012) examined corporate social responsibility and profitability of Nigerian banks based on causal relationship by using First Bank of Nigeria Plc as the case study for the period of ten years (2001-2010). CSR was considered as the independent variable while PAT was the dependent variable. The data collected for the study were analyzed by using correlation and regression analysis. The outcome of the research showed a significant positive impact of CSR on PAT. The study recommended the need for banks to demonstrate high level of commitment to corporate social responsibility in order to enhance their profitability in the long run.

(Adeboye & Olawale, 2012) examined corporate social responsibility (CSR) and business ethics as effective tools for business performance in Nigerian banks. The study also attempt to ascertain whether social responsibility of banks and their ethical practices lead to the achievement of organizational goals. The research was conducted on a set of purposive sample of 100 employees randomly drawn from two Nigerian banks i.e. First Bank plc and

Guaranty Trust Bank plc. The two hypotheses formulated were tested using t-statistic at .05 alpha level. The study showed that there is no significant difference between employees of First Bank and Guaranty Trust Bank on corporate social responsibility and business ethics as regard business performance. However, ethical standard of doing business and financial performance differ significantly.

In a study conducted by (Ajagbe, Adewoye & Ajetomobi, 2007), in which the researchers evaluate financial performance of community banks by using a sample size of 8 community Banks, it is found that the response of the questionnaires and interviews that capital adequacy, liquidity reserve and cash reserve ratios were the significant factors in determining the performance of community Banks.

(Setiawan, & Janet, 2012) examined Corporate Social Responsibility, Financial Performance, and Market Performance of consumer goods companies listed on the Indonesian Stock Exchange during the period 2007-2010. The analysis is completed by regression from interviewing consumers, investors, and stock analysts from financial institution in Surabaya, Indonesia. The results of the study show that corporate social responsibility leads to increase in financial performance, but have no significant effect to market performance. Corporate social responsibility will build consumers‟ trust about the products and will encourage them to be loyal consumers. However, investor and stock analyst state that corporate social responsibility is a long term social investment that does not have a significant effect to the investment decision. In addition, most of the companies in the Indonesian consumer goods industry have a good financial performance, so that the stock prices remain constant.

(Lungu, Chiraţa, & Dascalu, 2011) examined the relationship between reporting companies‟ characteristics and the importance assigned to social and environmental disclosure, by using statistical correlations based on content analysis of sustainability reports of the largest 50 companies classified by Global Fortune in 2009 data was analyzed with regression in order to address the research hypotheses. The results show that size characteristics measured by assets and revenues cannot be correlated to the extent of CSR reports published by companies, but there is a significant negative correlation between change in revenues and return on equity and social and environmental disclosure for the sampled companies.

(Keffas, & Olulu-Briggs, 2011) examined the financial performance of CSR and Non-CSR banks using financial ratios and frontier efficiency analysis. They got accounting information for banks in Japan, US and UK quoted on the FTSE4 Good global index from Bank scope database. They include thirty-eight (38) financial and economic ratios based on variables such as Asset quality, Capital, Operations and Liquidity that captured major scope of financial performance. In addition, they used a non-parametric linear programming technique known as Data Envelopment Analysis to create a piecewise linear frontier that helps to determine the efficiency levels for both a common and separate frontier analysis. First, they find a positive relationship between corporate social responsibility and financial performance. Banks that incorporate CSR have better asset quality; capital adequacy, and are more efficient in managing their asset portfolios and capital. Second, they also find that geographical location regulates the relationship between CSR and FP during economic contraction, such that the relationship differs across the businesses and transactional banking models. The findings are to some extent consistent with prior analysis on the CSR-FP link

(Onyekwelu, et. al., 2014) studies corporate social Accounting and the Enhancement of Information Disclosure among selected quoted firms in Nigeria. Questionnaires were used to collect data that were analyzed and tested using One-Way ANOVA and Chi-square statistical tools. The study findings were that corporate accounting reports as an additional but distinct report in the annual statements significantly enhance information disclosure to stakeholders. The study also found out that most companies in Nigeria presently disclose social accounting information in their annual reports via the

Directors' Report, Chairman's Statement and Notes to the Accounts while these report are shown with very short/scanty qualitative information.

(Osisioma, et.al., 2015) in their study examined the relationship between corporate social responsibility and performance of selected firms in Nigeria. The specific objective of the study was to determine if there was any significant relationship between social responsibility cost and corporate profitability in the selected firms. The study was based on the stakeholder theory of social responsibility which emphasized the need for a corporate organization to satisfy the requirements of various interest groups. Exploratory research design was employed with the use of time series data. The study utilized time series data that involve social responsibility expenditure and profit after tax of the selected firms which covered a period of five years (2007 – 2011). Product moment correlation was used to test the hypothesis and to determine whether there is any significant relationship between social responsibility cost and corporate profitability in the selected firms. Findings revealed a significant relationship between social responsibility cost and corporate profitability. Therefore, the study concluded that social responsibility was vital to organizational performance. It is recommended that firms in Nigeria should endeavour to increase their commitment to social responsibility by setting aside substantial amount of their income to social responsibility programmes.

In a much related study, (Ijeoma, & Oghoghomeh, 2014) determine the contribution of corporate social responsibility on organizational performance. The purpose of this study was to determine the contribution of corporate social responsibility on company's profit after tax and to ascertain if there exists significant contribution of corporate social responsibility on company's profit after tax. The source of data for this study was secondary data obtained from Central Bank of Nigeria Statistical Bulletin 2010 and annual reports 2008-2012 of three selected public limited companies operating in Nigeria. The statistical tool employed was the regression analysis and the line graph analysis. From the result of the analysis it was found that corporate social responsibility was able to explain and contribute significantly to company's performance more in OANDO Group Nig. Plc since it was able to explain about 96.1% of the behavior of profit after tax in OANDO Group Nig. Plc, 21.4 % in Guiness Nig. Plc and 9.5% in Total Nig. Plc. This result implies that OANDO Group Nig. Plc was observed to spend more in terms of corporate social responsibility amongst the observed company's and in turn corporate social responsibility contributing to its performance. Also, it was found that Guniess Nig. Plc recorded the largest profit after tax over the observed period followed by OANDO Group Nig. Plc. It can be generalized that sustainability reports does have an association with company performance. Social performance disclosure has an association with company's performance as was found by the result of OANDO Group Nig. Plc. For companies, improving sustainability performance is important and it is equally important as improving company's financial performance. Sustainability means the development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It means that, in running the business, a company need to concern to the needs of future generations. Though reporting on its environmental performance may expose a company to criticisms and also have minimal effect in the short run. It is advisable that the company continues to disclose its environmental performance because in the long run it would help in achieving sustainability.

(Kamatra & Kartikaningdya, 2015). This study was conducted to examine the effect of CSR on financial performance as measured by profitability ratios consisting of return on assets (ROA), return on equity (ROE), net profit margin (NPM) and earnings per share (EPS). The population used in this study was the company mining and basic industry chemicals listed in Indonesia stock exchange during the period 2009-2012, while the sample used in this study using purposive sampling technique. Sample as many as 24 companies in Indonesia. This study used a quantitative approach and the method of multiple linear regression analysis of the data, with the first through the classical assumption. The results of this study indicate that simultaneous CSR and control variables consisting of leverage (DER) and size effect on ROA, ROE, NPM and EPS. CSR only has partially significant effect on ROA and NPM and no significant effect on ROE and EPS.

In another very related study, (Nzewi, et al., 2013) appraised corporate social responsibility accounting in Non-bank quoted companies in Nigeria to determine the extent of their corporate social reporting and the similarities or otherwise of the corporate social responsibility accounting among the individual companies. Stratified sampling technique was used in selecting the ten industrial groups used for the study. Content analysis of the annual report and accounts was carried out. Cochran Q test for dichotomous nominal scale data was used to test whether there is significant difference in the social responsibility reporting of the individual companies. Findings show that the companies to a large extent adopted integrated reporting and a combination of descriptive and cost outlay approach in communicating their social reports. Findings also reveal that none of the companies disclosed its means of assessing its social contribution and that the proportion of pages in their annual reports to the shareholders devoted to social reports ranged between 0.3% to 7.5%. Furthermore, it was found that social responsibility expenditure as a proportion to turnover and profit before tax were on the average 0.05% and 0.65% respective. Finally, it was established that there was significant difference in the accounting and reporting of social activities among the companies.
(Ntiamoah, Egyiri, & Kwamega, 2014) study addressed the following questions that are becoming increasingly important to managers in the banking industry of Ghana: is there a relationship between corporate social responsibility (CSR) awareness, firm commitment and organizational performance? If yes, how is the relationship between these three variables? The study adopted both qualitative (case study) and quantitative methods respectively. Banks were selected to gather data, which was acquired from answers obtained from our administered questionnaire and also through interviews. The population of the survey constituted the management and non-management staff and customers of UT Bank Ghana and Barclays Bank Ghana Ltd in Ghana. Hypotheses of the study will be analyzed using correlation and regression. The results of the study show that there are high positive correlations between the constructs of corporate social responsibility (CSR) awareness, firm commitment and organizational performance.

In a related study by (Saeid, Zabihollah, & Zahra, 2015) on Corporate Social Responsibility and Its Relevance to Accounting corporate social responsibility . We examine the development of CSR by both reviewing the evolution of the conceptual framework and models of CSR and discussing social responsibility accounting and auditing. We conclude that both business and academic communities worldwide should pay closer attention to CSR and its components of economic, social, and environmental performance. Business organizations worldwide are just starting to recognize the importance of quality as it relates to CSR and the link between profitability and social behavior. Justifications for CSR are fulfilling moral obligations, maintaining a good reputation, ensuring sustainability and licensing to operate, and creating shared value for all corporate stakeholders.

(Ohaka, & Ogaluzor, 2018) examine Corporate Social Responsibility Accounting and the Effect of Donations on Profitability of Oil and Gas Companies in Nigeria. The study used a cross sectional survey design to carry out the research. The population of the study was all the oil and gas companies in Nigeria. Data collected were analyzed through the Simple Regression Analysis and Partial Correlation. Results of the study revealed that: Donation significantly affects Return on Equity and Donation significantly affects Net Profit of the oil and gas companies in Nigeria, Hence, from the findings of this work the research concludes that there is a strong positive relationship between CSRA

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and profitability. And that; Donation significantly affects the Return on Assets of the oil and gas companies in Nigeria; Donation significantly affects the return on equity of the oil and gas companies in Nigeria; Donation significantly affects the Net Profit of the oil and gas companies in Nigeria. Therefore all the null hypotheses have been rejected and the alternative hypotheses accepted. Based on the findings of the study, the following recommendations were made; Companies should carry out operational impact evaluation. This is in order to evaluate the effect of their operation on the community, the environment and the people as this will be able to audit and control their CSR practices. It will help them check unwholesome practices; Companies should report regularly to its stakeholders their corporate social responsibility practices. The companies are too secretive and do not allow the people have insight of most of their activities. Forums should be created where these are reported to the people; Government should consider allowable all arm's length expenditure on corporate social responsibility for tax purposes to enable the companies become completely socially responsible.

6. METHODOLOGY

6.1. Research Hypotheses

The hypothesis tested in the course of this research study was:

Ho1: There is no significant difference in the social responsibility expenditure of bank and insurance companies in Nigeria

6.2 Research Design

The research design adopted by the study was expo facto research design.

6.3 Population of the Study

The population of the study consists of all the 40 insurance companies and 20 commercial banks with international, National and Regional authorization quoted by Nigeria Stock Exchange as at December 2018

6.4 Sample of the Study

The 11 insurance and banks companies were selected by random sampling technique base on their size and the technique gives each member of the population an equal chance of being selected

6.5 Method of Data Analysis

T-test of independent:

The t-test of independent samples was use for testing hypothesis 1.

To determine the difference in corporate social responsibility expenditure of the bank and insurance companies in Nigeria the t-test of independent samples is employed. It is used for testing the significance of the difference between means of two independent samples when the sample size is small (i.e. n<30) (Nworgu, 2015). The decision is when the calculated t falls within the acceptance region. The null hypothesis is not rejected otherwise it is rejected.

7. DATA PRESENTATION AND ANALYSIS OF RESULT

7.1 Testing of Hypothesis

H0: There is no significant difference in the social responsibility expenditure of bank and insurance companies in Nigeria

The data for testing the above hypothesis is as presented in table 1

Table 7.1 Analysis of Social Responsibility Expenditure of Bank and Insurance Companies in Nigeria

Banks in Nigeria **Insurance in Nigeria**

S/N	Name of company	Year	Amt on CRS (~~N~~)	S/N	Name of company	Year	Amt on CRS (~~N~~)
1	Access Bank plc	2007-2016	1,955,978,782	1	Allco Insurance American Inter. Plc	2007-2016	14,716,307

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2	Diamond Bank plc	2007-2016	3,624,518,308	2	Consolidated Hallmark Insurance Plc	2007-2016	16,904,308
3	FCMB Bank plc	2007-2016	1,701,769,499	3	Cornerstone Insurance Plc	2007-2016	2,684,100
4	Fidelity Bank plc	2007-2016	695,667,137	4	Custodian & Allied Insurance Plc	2007-2016	18,241,000
5	GTB Bank plc	2007-2016	3,143,583,756	5	International Energy Insurance plc	2007-2016	196,487,604
6	Stanbic IBTC Bank Plc	2007-2016	850,946,216	6	NEM Insurance Plc	2007-2016	23,750,085
7	Sterling Bank plc	2007-2016	588,893,000	7	Niger Insurance Plc	2007-2016	20,264,927
8	United Bank for Africa Plc	2007-2016	2,047,808,200	8	Lasaco Assurance Plc	2007-2016	56,114,349
9	Union Bank plc	2007-2016	771,636,184	9	Staco Insurance Plc	2007-2016	58,637,343
10	Wema Bank plc	2007-2016	273,454,912	10	Standard Alliance Insurance Plc	2007-2016	9,513,790
11	Zenith Bank plc	2007-2016	6,652,325,045	11	Regency Alliance Insurance Plc	2007-2016	9,852,460

Source: Researchers' compilations (2018)

In analyzing the data presented in table.1 the t-test is employed. The purpose is to test the significance of the difference between means of two independent samples (banks and insurance companies). The decision is when the calculated t falls within the acceptance region. The null hypothesis is not rejected otherwise it is rejected. The result of the test is shown below;

Table7. 2: Result of t-test of Independent

Group Statistics

	Company Type	N	Mean	Std. Deviation	Std. Error Mean

Amount on CSR	Banks	11	2027871004.0000	1875586827.00000	565510706.10000
	Insurance	11	38833297.5500	55327066.13000	16681738.10000

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Amount on CSR	Equal variances assumes	12.023	.002	3.516	20	.002	1989037706.00000	565756696.00000	808889918.10000	3169185494.00000
	Equal variances not assumes			3.516	10.017	.006	1989037706.00000	565756696.00000	728750021.30000	3249325391.00000

Table 2 parametric test results for insurance companies and banks for t-test

Discussion of Findings

The study aimed at looking at determining the significant difference in the social responsibility expenditure of bank and insurance companies in Nigeria.

Table.2 above reveals that the mean value of banks (20278.71004.) is higher than that of the insurance companies (388.33297), representing percentage amount spent on corporate social responsibility to be 98.13% (Bank) while that of insurance companies was 1.87%. Also, the calculated t statistic (3.516) is greater than the tabulated t statistic (2.086). Since the calculated t does not falls within the acceptance region, therefore, the null hypothesis is rejected. We conclude that there is significant difference in the social responsibility expenditure of bank and insurance companies in Nigeria.

8.CONCLUSION AND RECOMMENDATION

8.1 Conclusion

Sequel to the hypothesis testing, data analyses and the findings from the study reveal that there is evidence of conscious effort of the sampled insurance and bank to discharge their social corporate responsibilities.

The findings which revealed a significant difference in the expenditure of insurance and bank companies in Nigeria, this corroborate the facts that there is evidence of conscious effort of the companies to discharge their social responsibilities suggests that the theory, the investigated companies are beginning to behave as good corporate citizens but on the whole, the thoughts appeared basically low and still at the embryonic stage (Umalomwa & Uadiale, 2011).

Also of interest, is the amount committed by the focused companies has some undertone of projecting to the public that they are committed to social responsibility. But in reality, their investment in social projects is extremely small compared to the huge profit generated from the environment. This finding is confirmed by the results of the study executed by Amaeshi, Adi, & Amao (2011) when they found out that Nigerian companies practice and perceive corporate social responsibility as corporate philanthropy. This brings to false the deficiency in the acclaimed commitment to corporate social responsibility.

Given the aforementioned findings, we conclude that insurance and bank companies quoted in the Nigerian Stock Exchange have varied amount expended on social responsibility activities which translated into the different ranges of coverage of social report in the annual report and account, and areas of social initiative.

8.2 Recommendations

Based on findings, the study recommends the following to the various stakeholders.

1. Management of insurance and bank companies should ensure that social responsibility is inbuilt into their policy statements and back up with effective budget giving the fact that CRS leads to profit realization. Furthermore, management should create a unit or department within their firms that will be responsible for their social responsibility programmes which should ensure that their social responsibility policies are adequately implemented, and ensure that Nigerian companies comply with government laws regarding business regulation in the country.
2. Shareholders at the annual general meeting should encourage the management of their companies to have well structured corporate social responsibility programme in view of it benefits.
3. The Financial Reporting Council of Nigeria (FRC) should come up with clearly defined regulatory frame work on International Financial Reporting Standard (IFRS) and amendment of relevant sections of Companies and Allied Matters Acts (CAMA) on how to go about social responsibility issues in Nigeria and should ensure its full implementations.

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