

**Forensic Accounting Techniques, Internal Control System and Fraud Prevention in  
Selected Deposit Money Banks in Ibadan, Oyo State, Nigeria**

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**Being a Thesis Submitted to the Department of Management and Accounting, Faculty of  
Management and Social Sciences, Lead City University, Ibadan, Oyo State, Nigeria**

**In Partial Fulfilment of the Requirements for the Award of Master of Science Degree (MSc)  
in Accounting**

**2022**

## **Chapter One**

### **Introduction**

#### **1.1 Background to the Study**

The banking sector is regarded as one of the vulnerable sectors and a major contributor to the acceleration of the economy of Nigeria; ensuring economic growth, stimulates investment, employment, international trade and payment, and positively affecting the lives of the citizenries through her financial intermediation role of collecting deposits from the excess units and making it available to the needing units via credit or loans, which most often is on short-term basis.<sup>1</sup> The banking sector is one of the most controlled and regulated sectors in Nigeria. In spite of this, fraud has continued to rear its ugly head in the sector<sup>2</sup>. Banks are the principal depositories of the public's monetary savings, the nerve center of the payment system, the vessel endowed with the ability of money creation and allocation of financial resources and channels through which monetary and credit policies are implemented<sup>3</sup>.

Banks are institutions that involve in the business of financial intermediation and mobilization of deposit/savings from the surplus economic units to the deficit economic units<sup>4</sup>. Thus, the success of any monetary policy to a large extent depends on the health of the banking institutions through which the policies are implemented<sup>5</sup>. This means that whatever problems that militate against the proper functioning of the banking sector will invariably have multiplier effects on the other sectors of the economy. These significant roles played by the banks in the nations' economic growth are responsible for the importance accorded the sector world over.

Today, the very professionalism and ethics of banking appeared to have been grossly undermined in the banking sector. The banks over the years have lost substantial amount of their quality assets and integrity to the local and international communities, due to the activities of

fraudsters in which majority of them were bank officials<sup>6</sup>. According to NDIC, the increase in expected/actual loss in fraud and forgeries was largely due to astronomical increase in the occurrence of web-based (online banking)/ATM and fraudulent transfer/withdrawal of deposit funds. A significant fraud case in an organization does not only undermine or shake up the financial stability of the company but, also ruins the company's reputation, thereby posing a threat to stakeholders, shareholders' and other investors.

Internal control is the strength of each organization and it has become of preponderating importance nowadays in Nigerian banks. The rationale being that the management systems in corporate organizations could be a pillar for an economical accounting system. Internal control systems can be described as the whole system of control, financial and otherwise established by management in order to carry on the business of the enterprises in an orderly and efficient manner. It involves the control environment and control procedure, all the policy and procedure adopted by the directors and management of an entity to assist in achieving their objectives, including adherence to internal policies, the safe-guarding of assets, the prevention and detection of fraud and error as well as the completeness and accuracy of records, with the timely preparation of reliable financial information. The requirement for the inner management systems in monetary establishments is preponderating appreciation to the fact than the general public sector that includes a crucial role to play within the economic development of a nation, which is currently being characterized by macro-economic instability, slow growth in real economic activities, corruption and also the risk of fraud. It is necessary that every bank must have an internal audit department to ensure that accounting systems provide an efficient means of recording and reporting financial transactions, providing management information and protecting the company's asset from fraud and misappropriation<sup>7</sup>.

The true and fair view opinion on the financial statements by the statutory auditors is designed to give credibility to such financial reports. This, in turn, is expected to induce confidence in the users of financial statements that wish to make an investment decision. But going by the growing spate of corporate scandals and collapse of corporate organizations, one has had to argue the relevance and the credibility-building clause of the true and fair view opinion of the statutory auditor. Today, modern organized financial crimes have appeared. Corruption and other financial and economic crimes are the bane of Nigerian development efforts<sup>8</sup>. With an upsurge in financial accounting fraud in the current economic scenario experienced, financial fraud has become an emerging topic of great importance for academic, research and industries.<sup>9</sup> Fraud in accounting has been discoursed along two main dimensions viz fraudulent financial reporting and misappropriation of firm resources. Fraudulent financial reporting refers to deliberate and calculated activities and attempts to misrepresent transactions in the financial statement in order to derive or take undue advantage. On the other hand, misappropriation of assets refers to deliberate and calculated activities to take firms resources without authorization, this includes stealing.

Forensic accounting is seen as encapsulating all other investigation related areas in uncovering financial fraud. The increasing sophistication of financial fraud requires that forensic accounting be added to the tools necessary to bring about the successful investigation and presentation of those individuals involved in criminal activities<sup>10</sup>. There is now a strong emphasis on fraud prevention and detection during statutory audits. In fact, the United States and international standards setters have increased the responsibility of auditors to consider the risks of fraud while conducting audits of financial statements. There is even a call for stronger forensic skills in those who perform these audits. All normal statutory audits should contain some elements of forensic

enquiry as the evidence of fraudulent activities can be easily discovered if a thorough evaluation of the adequacy and compliance of the internal control mechanism is made<sup>11</sup>.

Forensic accounting is the application of accounting concepts and techniques to legal problems<sup>12</sup>. It demands reporting where fraud, bribery or embezzlement is established and the report is considered as evidence in the court of law or in administrative proceedings. It is concerned with the use of accounting discipline to help determine issues of facts in business litigation<sup>13</sup>. Forensic accounting has also been defined as the science of gathering and presenting information in a form that will be accepted by a court of jurisprudence against perpetrators of economic crime<sup>14</sup>. Forensic Accounting is the study and practice of rigorous data collection and analysis in the areas of litigation support, consulting, expert witnessing, and fraud examination.

Forensic accounting incorporates a lot of disciplines especially, Accounting, Auditing, Investigation, Law and Psychology.<sup>15</sup> Centre for Forensic Studies report in Nigeria states that if well applied, forensic accounting could be used to reverse the leakages that cause corporate failures<sup>16</sup>. This is because of the fact that forensic accounting is a technique that encapsulates accounting, auditing and investigative skills to address issues relating to financial fraud. The tripartite arrangement of accounting, auditing and investigation in forensic accounting makes it a form of accounting that suitable for legal review and offering the highest level of assurance<sup>17</sup>. The general expectation is that forensic accounting may offer some respite to the seeming vulnerability of conventional accounting and audit systems to financial fraud which forms the basis of this study which is to investigate the forensic accounting techniques, internal control system and Fraud Prevention in selected deposit money banks in Nigeria.

## **1.2 Statement of the Problem**

Association of Certified Fraud Examiners (ACFE) observes that the banking industry are becoming more and more susceptible to fraud over the years due to ineffective internal control measures been put in place, because fraudsters are now more skillful and versatile in designing other means of breaking these ineffective controls. KPMG opined that the key contributor to fraud occurrence is poor system of internal control while some other scholars were of the opinion that poor forensic accounting techniques are the key contributors. Some scholars conclude that effective and efficient internal control system is the best measure for preventing fraud in the banking sector. But as banking industries move on with wide range of activities, fraud can therefore occur from both internal and external sources, which without missing words have negative effect on the organization's going concern. Therefore, banking industry should not limit itself to internal control and forensic accounting techniques alone as opined by various existing studies, but also ensure its application and compliance with banking sector, which is the knowledge gap this study tends to fill. The fact is that very little has been written in this area in the Nigerian context. Based on the problem stated above, this study focuses on the forensic accounting techniques, internal control system and Fraud Prevention in selected deposit money banks in Nigeria.

## **1.3 Aim and Objectives of the Study**

The aim of this study is to examine the effect of forensic accounting techniques, internal control system on Fraud Prevention in selected deposit money banks in Nigeria.

The specific objectives of this research are to:

- i. access the knowledge of forensic accounting used for Fraud Prevention in selected deposit money banks in Nigeria.

- ii. establish the impact of forensic accounting techniques on Fraud Prevention in selected deposit money banks in Nigeria.
- iii. determine the influence of internal control system on Fraud Prevention in selected deposit money banks in Nigeria.
- iv. identify Fraud Prevention practices in selected deposit money banks in Nigeria

#### **1.4 Research Questions**

The following research questions were carefully derived from the above objectives of the study.

1. What is the level of knowledge of forensic accounting techniques used for Fraud Prevention in selected deposit money banks in Nigeria?
2. To what extent is the impact of forensic accounting techniques on Fraud Prevention in selected deposit money banks in Nigeria?
3. Is there any influence of internal control system on Fraud Prevention in selected deposit money banks in Nigeria?
4. What are the identified Fraud Prevention practice in selected deposit money banks in Nigeria?

#### **1.5 Hypotheses of the Study**

**H<sub>01</sub>:** There is no significant relationship between forensic accounting and Fraud Prevention in selected deposit money banks in Nigeria.

**H<sub>02</sub>:** There is no significant relationship between internal control system and Fraud Prevention in selected deposit money banks in Nigeria

**H<sub>03</sub>:** There is no combined relationship between forensic accounting techniques, internal control system and Fraud Prevention in selected deposit money banks in Nigeria

## **1.6 Significance of the Study**

The usefulness of forensic accounting provokes many areas in which research can be carried out, but this study focused on understanding the impact of forensic accounting techniques, internal control system on fraud prevention and hence invokes fraud deterrence in the Nigerian Money Deposit Banks.

The study is will be of help to the government through the central bank in formulating of guidelines towards increasing effectiveness of forensic accounting services to reduce the extent of financial frauds happening in such banks. Terms of trade and credit would also be affected by this information.

Also the study will form the basis for future researchers and academicians who may be conducting research on roles and effectiveness of forensic accountants in service delivery since accounting as a profession has changed over the years thus contributing to theory by indicating whether the forensic accounting services are fully applicable in the banking industry. It will add to the existing body of knowledge and provide a source of reference to further empirical studies into the little-known ways of fraudulent practices in banks.

For Investors, both potential and current will benefit from the research. The study seeks to inform the investors about the importance of forensic accountants and their services and further advice on the risks related to their exclusion in the banking activities. This will make them make informed decision on whether to dispose their shares or to buy more so as to benefit in future from the bank. Potential investors will pursue investment in companies that have reduced fraudulent activities due to proper policies like incorporation of forensic accounting services.

This study will seek to inform financial institutions in developing policies and giving timely relevant advice to their clients (banks) against the effect of business operations without the

assistance of forensic accountants. They would be able to advise their clients on which officials to invest in and which ones to avoid.

Moreover, the study will offer the suggestions as to internal controls that banking sector could implement to reduce the likelihood of fraud and to strengthen the effectiveness of such services for the survival of the banking sector. If indeed these services can prevent fraudulent activities, the management would rethink its policies and regulations so as to spur confidence in the market and also enable the management to know the future performance of their companies.

### **1.7 Scope of the Study**

This study was designed to examine the influence of forensic accounting techniques, internal control system on Fraud Prevention in selected deposit money banks in Nigeria. Hence the study will be restricted to First bank, Zenith bank, Fidelity bank, United bank of Africa (UBA) and Guaranty Trust Bank Branches in Ibadan North Local Government Area of Oyo State.

### **1.8 Limitation of Study**

This research work was faced with certain limitations related with the origin and nature of the data to be obtained and employed for analysis. This is due to that fact that data might have been gathered for other reasons separately from the context of this research work therefore presenting a possibility of unreliability of data. Also, the target population is a banking industry which is a very busy environment, many of the respondent may delay in responding to the questions. Some of the respondents may not be willing to respond or have a contact with the researcher because of the COVID19 pandemic. Time constraints, finance and academic workload will also serve as limitations of this research endeavour.

## 1.9 Operational Definition of Terms

**Forensic:** connected with or used in the court to law.

**Forensic Accounting:** It is a specially practice area of accounting that describes engagements that results from anticipated disputes or litigations.

**Fraud:** Fraud on the other hand is a deliberate deception with design of securing something by taking unfair advantage of others loss (private and public) by means of cheating dishonestly duplication or imposition

**Internal Control:** Internal control is a process, affected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: Effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

**Investigative Accounting:** This is the reviews of the factual situation of a company and suggest possible course of action.

**White-Collar Crime:** A crime committed by a person of respectability and high social status in the course of his occupation.

## Endnotes

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## Chapter Two

## Literature Review

This chapter deals with the review of relevant literature and theories on the research topic: usefulness of forensic accounting in the detection and prevention of fraud in Nigerian financial organizations.

### 2.1 Conceptual Review

#### 2.1.1 Forensic Accounting

The term "forensic accounting" was coined in 1946 in an essay titled "Forensic Accounting: Its Place in Today's Economy<sup>1</sup>." By the late 1940s, forensic accounting had demonstrated its value during World War II; but, established methods were not used until the 1980s, following the publication of important academic papers in the topic<sup>2</sup>. Since the 1980s, a new profession in the field of accounting and auditing has evolved in several Western countries, most notably the United States. This occupation denotes an area that requires accounting, auditing, and investigative abilities<sup>2</sup>. Forensic accounting is a subfield of accounting that deals with engagements that arise as a result of real or potential conflicts or litigation<sup>3</sup>. Forensic accounting is acknowledged as a distinct area of professional skill equipped with distinct characteristics; acknowledgment is earned through the possession of a formal certification in forensic accounting, which carries symbolic weight<sup>4</sup>.

Forensic accounting is a science that entails the application of accounting facts and concepts gleaned through auditing methods, tactics, and procedures to the resolution of legal issues, requiring the combination of investigative, accounting, and auditing skills<sup>4</sup>. Forensic accounting is the practise of applying investigation and analytical abilities to financial difficulties in a way consistent with the standards demanded by courts of law<sup>5</sup>. Forensic inquiry is concerned with establishing and establishing facts to support a legal case. That is, utilising forensic tools to

detect and analyse a crime reveals all of its associated characteristics and identifies the perpetrators. According to some scholars, it is focused with the application of accounting principles to assist in resolving factual disputes in business litigation<sup>6</sup>. It is concerned with the evidentiary nature of accounting data, as well as accounting fraud and forensic auditing; compliance, due diligence, and risk assessment; detection of financial misrepresentation and financial statement fraud; tax evasion; bankruptcy and valuation studies; and violation of accounting regulation<sup>7</sup>. The American Institute of Certified Public Accountants (AICPA) describes forensic accounting as "services including the use of the specialised knowledge and investigative abilities possessed by Certified Public Accountants<sup>8</sup>." Forensic accounting services make use of the practitioner's specific accounting, auditing, economics, and tax expertise, among others. Forensic accounting is a holistic approach to fraud investigation<sup>9</sup>.

It entails preventing fraud and analysing anti-fraud controls, which may involve the collection of non-financial data. Forensic accounting's objectives include determining the extent of damage caused by an auditor's negligence, conducting fact-finding to determine whether embezzlement occurred, in what amount, and whether criminal proceedings should be initiated; collecting evidence in a criminal proceeding; and computing asset values in a divorce proceeding<sup>9</sup>. The major objective of forensic accounting is to provide an explanation for phenomena, including the identification of deceit (if any) and its impact on the accounting domain<sup>9</sup>.

Forensic accountants are educated to see past the statistics and address the commercial reality of a scenario<sup>9</sup>. The profession's major characteristics include the analysis, interpretation, summary, and presentation of complicated financial business-related topics. Forensic accountants' responsibilities include investigating and analysing financial evidence; developing computerised applications to aid in the analysis and presentation of financial evidence; communicating their

findings through reports, exhibits, and collections of documents; and assisting in legal proceedings, including testifying in court as an expert witness and preparing visual aids to support trial evidence<sup>9</sup>. Similarly, some researchers stated that forensic accountants provide accounting assistance in financial criminal and related economic matters involving ongoing or pending cases, as defined by the Alliance for Excellence in Investigation and Forensic Accounting (Alliance) of Canada: assisting in obtaining documentation necessary to support or refute a claim; reviewing pertinent documentation to form an initial assessment of the cases and identify arguable issues. studying the opposing expert's damaging report and reporting on the position taken's strengths and flaws; and attendance at trial to hear the opposing expert's evidence and assist with cross-examination<sup>10</sup>.

Identification fraud is a subject of the forensic accountant's research. Forensic accounting is concerned with evidence uncovered via the analysis of financial documentation. A forensic accountant's testimony may be used in a variety of scenarios. Forensic accountants are critical to the judicial system because they provide expert services such as faking invoices, dubious bankruptcy values, and financial document analysis in fraud schemes<sup>9</sup>. By conducting a thorough analysis of financial data, these forensic accountants calculate values, make inferences, and uncover abnormal patterns or questionable transactions<sup>10</sup>. It gives an accounting analysis to the court for the purpose of resolving disputes in certain instances and also serves as an explanation for the fraud committed. As a result, forensic accounting may be critical in detecting and minimising accounting fraud in business. In this idea, forensic accountants conduct an investigation of financial records in order to ascertain the facts essential to resolve a disagreement before it is brought to court or the lawsuit process begins<sup>11</sup>. The purpose of forensic accountants is to apprehend the perpetrators of fraud that occur in businesses on a yearly

basis. This involves the investigation of money laundering, identity theft, and tax evasion. Insurance companies utilise forensic accountants to investigate insurance frauds such as arson, and law firms hire forensic accountants to identify marital assets during divorce proceedings<sup>12</sup>. After the financial reporting scandals that rocked several corporations throughout the world, including Enron, Tyco, and WorldCom, forensic accounting has played a critical role in the corporate agenda. These scandals resulted in a deterioration of public trust and the loss of vast sums of money. To combat fraud and theft and to re-establish much-needed public confidence, numerous businesses significantly improved the infrastructure of their internal control and accounting systems. This advancement boosted the value of accountants who choose to specialise in forensic accounting and are referred to as forensic accountants. Accounting forensics is a critical investigative tool for detecting fraud.<sup>13</sup>

### **2.1.2 Forensic Accounting and Fraud Detection**

It's just as difficult to define fraud as it is to identify it. No definitive and invariable norm can be established as a general concept when defining fraud, as it encompasses deception, trickery, cunning, and unfair means of defrauding another.<sup>10</sup> Fraud is a legal term that relates to the deliberate misrepresentation of the facts with the goal of manipulating or deceiving a business or an individual. Fraud is "inducing someone to enter into a contract by inducing a misjudgment or maintaining an existing misjudgment".<sup>14</sup> It entails actively benefiting oneself by secretly decreasing the value/worth of an asset. When businesses face serious financial difficulties and eventually declare bankruptcy, senior management fraud may be involved. Financial statement fraud has the following objectives: Increasing the market value of the firm, reconciling financial accounts with budgets, and getting inflated earnings by misrepresenting the business's value.<sup>14</sup> When commercial frauds are analysed, it is determined that three components contribute to the

crime's commission.<sup>14</sup> The fraud triangle is made up of three components: pressure, opportunity, and justification.

The fraud triangle's components are analogous to the fuel, spark, and oxygen that combine to form fire. When these three elements come together, fire always comes out. Pressure factors can be classified into three categories: financial pressures, bad habits-related pressures, and job-related pressures.<sup>14</sup> The second component of the fraud triangle is opportunity considerations. They directly involve top management and, in particular, firm owners. Allowing for fraud is one of the most significant issues resulting from frauds. Given the business's significant influence on the opportunity factor, this topic should receive special attention in terms of fraud prevention. The third component of the fraud triangle is the development of defence mechanisms by the fraudster in order to justify his or her actions.<sup>14</sup> Several attempts by the fraudsters to justify themselves and the justification they invented include the following: I borrowed the money, which I would repay; This is in exchange for my efforts on behalf of the firm.

Nobody has been harmed as a result of this, and the money has been used for a good cause. To overcome these justifications, businesses should educate employees about ethical standards, remind them that fraudsters will undoubtedly face consequences, develop a moral code within the corporation, and provide training on it.

The necessity of early fraud detection has grown in recent years as the number of fraudulent events has increased. Fraud detection begins with the detection of red flags that signal something is incorrect. This could be revealed as a result of trends in the number of employees, managers, and victims concerned about corporate asset loss. There are two primary methods for detecting fraud:

Detection by chance and proactive research and promotion of early detection of symptoms numerous fraudulent acts have been discovered by happenstance in the past. Regrettably, the prevalence of fraud increases during the detection process, resulting in increased losses. In many cases, individuals exposed to fraud within an organisation are aware that fraud was occurring but are unable to bring it to light either because they are unsure and unwilling to directly blame someone, or because they are unsure of how to report it and may also be afraid of being labelled as a whistleblower.<sup>14</sup>

Fraud is expensive. According to the Association of Certified Fraud Examiners (ACFE), an estimated \$3.5 trillion was lost globally in 2011 as a result of false financial statements, asset misappropriation, and corruption.<sup>15</sup>

Accounting standard setters have upped the steps auditors are supposed to take to detect fraud in an effort to re-establish public faith in the audit profession. Due to the Enron and WorldCom scandals, auditors are now obligated to follow the provisions of Statement on Auditing Standards (SAS) No. 99.<sup>16</sup> Scholars discovered that financial statement fraud has cost market participants more than USD\$500 billion in recent years, resulting in significant litigation.<sup>17</sup> It will also provide guidance to businesses seeking to educate and raise public awareness about the gravity of fraud in Nigeria. This research will result in an increased degree of awareness and acceptance of forensic accounting. It is extremely difficult to pinpoint the sources of fraud. Modern-day business frauds typically include a complicated web of conspiracy and deception that frequently obscures the true motive.<sup>17</sup> On average, one out of every ten (10) employees will hunt for ways to steal if given the opportunity, leaving only four (4) employees who are typically honest.<sup>18</sup>

Due to the prevalence of fraud in modern organisations, traditional auditing and investigative techniques are inefficient and inadequate at detecting and preventing the different types of fraud

that firms worldwide face. Fraud has garnered considerable attention both globally and in Nigeria.<sup>19</sup> This interest has been heightened in recent months as a result of many high-profile incidents involving multiple organisations.

The academic literature has also included serious theoretical and empirical study of fraud-related issues.<sup>20</sup> The threat of fraud to the global economy is best demonstrated by numbers revealed by a consulting firm: over 200,000 incidences of online fraud were committed in the United Kingdom in 2006, more than doubling the number of real-world robberies.<sup>21</sup> According to the research, 75% of card not present fraud occurred online in 2006. The worldwide market is concerned about high-level and low-level fraud.<sup>22</sup> We are all too acquainted with Enron, WorldCom, and the like. Additionally, we are seeing an increase in the number of frauds performed in society.<sup>21</sup> An auditor's primary role is to determine if the financial statements present a truthful and fair picture of the business's financial condition, while their secondary responsibility is to avoid and discover errors and frauds. Despite the fact that financial statements are management representations, the ultimate responsibility for preventing and detecting fraud and mistake falls with those responsible with governance and management of a company. Several authors have highlighted that the method individual auditors make fraud determinations has limits.<sup>23</sup>

Additionally, fraud, regardless of its nature or disguise, must be identified first, as detection is a necessary condition for weeding out any type of. Auditors are not always the best group to handle the work of fraud detection on their own. The corporation can detect and prevent non-management fraud by adopting proper fraud prevention procedures within its organisation. The forensic accountant's role is to discover fraud. Numerous studies are examining the elements that drive businesses to commit fraud, such as powerful executive incentives and a deficient board

structure.<sup>24,25</sup> However, enterprises with the largest defence contracts have a lower incidence of negative anomalous returns than firms with smaller contracts. Several scholars have examined the role of various monitoring technologies in detecting fraud and discovered that market-based institutions are more effective than regulatory-based institutions.<sup>26,27</sup>

### **2.1.3 Forensic Accounting and Fraud Prevention**

Fraud is rarely detected because its symptoms are usually observed.<sup>28</sup> The symptoms do not always indicate fraud, as they could be the result of human error. The writer's advise is primarily to exercise caution when claims of fraud are made, as they may be baseless. Fraud is difficult to prove because fraudsters operate on a safe line where authorities cannot punish them. This demonstrates that the author is demonstrating that fraud defaulters are becoming more intelligent as a result of the probable errors that humans can make.<sup>28</sup> This complicates the task of a forensic accountant in detecting and establishing fraud. There is a need for a more in-depth study of how these defaulters perpetrate their deception. Without continual public involvement and advancements in forensic accounting, fraud cases will become more difficult to identify, resulting in increased success in financial fraud, as well as a failure to meet the expectations of the public, shareholders, and even other stakeholders. One of the reasons for the emergence of fraud cases is a lack of corporate governance and accounting oversight.<sup>29</sup> This is because inadequate corporate governance enables a single individual or a group of people with a common interest to perpetrate fraud against the organisation.<sup>29</sup> The problems with the corporate reporting system are a result of a lack of well-executed corporate governance policies. This can be reinforced by the fact that top management should adhere to the firm's policies in order for the business to function better. The issue stems from the fact that certain corporate executives have an unfavourable attitude toward the policies.<sup>29</sup> As a result, a lack of honesty and transparency in

financial statement reporting is another issue. While it is understandable that an auditor does not have an absolute obligation to identify fraud, they should practise fair and accurate reporting to safeguard the public's and employees' interests.

Auditors can act as forensic accountants in instances of suspected fraud or criminal activity within a business by following forensic accounting rules. Internal control systems that are ineffective and inefficient, as stated by the author, demonstrate that a weak management cannot be improved through internal control systems. Even if a business has sound internal control systems, management will continue to exert significant influence over their execution. Businesses should consider new ways rather than sticking to the status quo, since forensic accounting may be the next best option for resolving issues.<sup>29</sup>

In a study on accountants' perceptions of fraud prevention techniques.<sup>30,31</sup> They evaluated accountants' perceptions of forensic accounting, revealing that accountants had a limited understanding of forensic accounting. Forensic accounting is viewed as a component of fraud prevention.<sup>31</sup> Additionally, in a research on the evaluation of forensic accountants for fraud risk detection methods in management. The study demonstrates that forensic accountants can effectively modify the scope and nature of audit tests when the risk of management fraud is high, that forensic accountants can propose unique procedures that auditors do not propose when the risk of management fraud is high, that forensic accountants can improve the effectiveness of an audit plan when the risk of management fraud is high, and that involving forensic accountants in the risk of management fraud assessment process results in a more effective audit plan.

According to KPMG's Fraud Survey, more businesses are recently suffering fraud events than in previous years; implementing fraud prevention measures; and introducing new antifraud initiatives and programmes in response to the Sarbanes-Oxley Act of 2002.<sup>32</sup> According to Price

Waterhouse Coopers' (PWC) Global Crime Survey, 37% of respondents in 50 countries reported substantial economic crimes, with an average loss of \$2,199, 930 per organisation.<sup>33</sup> These findings emphasise the critical nature of forensic accounting practise and education. Empirical evidence from study indicates that forensic accountants are capable of detecting substantially more fraud than auditors.<sup>34,35</sup> According to certain scholars, forensic audit processes greatly reduced fraud risks.<sup>35</sup>

Additionally, research has demonstrated that proactive forensic data analysis utilising sophisticated analytical tests run on computers can discover fraud that may go undetected for years.<sup>36</sup> In a work on accountants' perception regarding fraud detection and prevention methods. This has been contributed by a researcher who believes that all routine statutory audits should include some elements of forensic investigation because evidence of fraudulent activities can easily be discovered through a thorough assessment of the adequacy and compliance of the internal control mechanism. All of these are targeted at preventing and detecting fraud. However, an auditor who is unfamiliar with forensic accounting methodologies may be unable to accomplish this.<sup>35</sup>

#### **2.1.4 Use and Effectiveness of Fraud Prevention and Detection Mechanisms**

Internal control systems have been termed the "fundamental tool" for preventing and detecting fraud.<sup>37,38</sup> What forms a successful internal control system is more of a collection of viewpoints founded on known information through research. According to a study, 56 of the 218 standard audit processes were shown to be more effective at detecting fraud.<sup>36</sup> Additionally, the analysis showed that the most effective procedures were those that dealt with the existence and/or strength of internal controls.<sup>36</sup>

Moreover, in a study that examined how much internal auditors relied on the perceived effectiveness of various fraud prevention and detection systems.<sup>39</sup> The study's findings indicate that internal control review and improvement, operational audits, and reference checks on employees were the most frequently used fraud prevention and detection mechanisms, while software and digital analysis with generally high effectiveness ratings were the least frequently used.

However, informal measures have frequently functioned as a forerunner to fraud discovery. Around 42% of fraud precursors were discovered by tips, 23% through internal control, 20% through accident, and 19% through internal audit. External audit and the police make up approximately 9% and 3%, respectively.<sup>36</sup> According to some, a good internal control system does not guarantee against fraud.<sup>37</sup> However, in a study examining the role of internal audit in preventing fraud in a government-owned hospital in Nigeria.<sup>40</sup>

The investigation discovered that audit staff at the hospital lacks fundamental expertise of fraud prevention, making the hospital more susceptible to fraudulent operations. While the survey showed that audit employees attempted to prevent certain instances of fraud in the hospital, the auditors believed that if the unit had more information, it could perform better. This means that, internal control does not stop fraudsters from committing fraud. Additionally, the accounting literature has recognised that collaboration can erode the efficiency of an internal control system.<sup>36</sup> As a result, the importance of mastering forensic accounting techniques cannot be over emphasized

### **2.1.5 Basic Skills of Forensic Accountants**

Numerous viewpoints exist on the abilities that a forensic accountant should possess. There are some particular talents and qualities that professionals in their field should possess. A forensic

accountant should have a working knowledge of both civil and criminal law. Additionally, they must have an awareness of courtroom procedures and expectations, research abilities, innovative thinking, and the ability to communicate clearly and precisely.<sup>36</sup> According to some experts, a forensic accountant's most critical talents stem from experience in accounting, internal controls, auditing, taxation management, human connections, corporate operations, and communication.<sup>41</sup>

A forensic accountant's set of competencies is critical. These abilities include deductive analysis, creative thinking, unstructured problem-solving ability, investigative flexibility, and analytical proficiency, which includes oral and writing communication abilities, particular legal knowledge, and good composure.<sup>36</sup> In a study on the characteristics and capabilities of a forensic accountant, attorneys, academics, and CPAs were surveyed regarding the fundamental skills that a forensic accountant should possess.<sup>36</sup> The conclusions reached indicated that a forensic accountant should be analytical, detail-oriented, ethical, responsive, perceptive, persistent, and a sceptic.

Some researchers established a three-tiered approach to the skills necessary of a forensic accountant, including a foundation, a middle, and a top layer. The foundation layer is primarily composed of accounting knowledge. The middle layer focuses on audits, internal controls, risk assessment, and fraud detection.<sup>43</sup> While at the top tier, a strong understanding of the legal environment is necessary, as is an ability to communicate effectively. A forensic accountant, according to their research, is expected to be proficient in a broad range of disciplines, including accounting, law, auditing, criminology, information technology, and communication skills. Forensic accounting requires the following knowledge and skills: investigative abilities, research, law, quantitative methods, finance, auditing, accounting, and insight from law enforcement officers. As a result, a forensic accountant must possess strong analytical abilities, critical

thinking abilities, as well as knowledge and skills in organisational behaviour and applied psychology.<sup>36</sup>

### **2.1.6 Forensic Accountant Versus Traditional Accountant**

The forensic accountant applies trustworthy principles and procedures to sufficient facts or data and typically requires competence and abilities in private investigation and accounting, but in regular accounting, there is no such requirement.<sup>44</sup> While forensic accountants share some goals with standard accountants, their duties, knowledge, and talents are distinct. Additionally, standard auditing focuses on error detection and prevention, whereas forensic accounting focuses on fraud detection. While forensic accounting standards are developed in courts of law, traditional accounting standards such as financial accounting are established by the Securities and Exchange Commission (SEC) for firms whose securities, such as common stock, are traded.<sup>36,41</sup>

Traditional auditing use sampling approaches to detect accidental errors, which are typically caused by periodic deficiencies in internal controls. On the other hand, human-caused purposeful errors (fraud) occur in a small number of transactions, which is why forensic accounting methods include whole populations whenever available.<sup>36</sup> Due to the vast number of data required for forensic analysis, it is typically performed using a computer, with the WorldCom fraud finding serving as an example of detection by computer technology.<sup>45</sup> A forensic accountant conducts investigations into specific charges. As a result, he has ample time to extensively study and analyse specific fraudulent financial concerns, with the goal of using them as evidence in a court of law in the event of a disagreement, whereas a standard auditor's audit is more broad in scope. Traditionally, audits are conducted on financial matters in general (that means the auditor considers all issues relating to accounting).<sup>46</sup> Organizations hire or engage forensic accountants

to investigate claims and detect or prevent fraudulent activity that is alleged or anticipated within the organisation. As such, it is not a routine audit but one that may or may not adhere to auditing processes. This type of audit is proactive in nature and goes above and beyond standard audit procedures. Statutory audits are conducted by either a traditional auditor or a statutory auditor. Generally, the audit is conducted to satisfy regulatory requirements and to confirm that the financial statements prepared comply with GAAP.<sup>36,47</sup>

### **2.1.7 Responsibilities of a Forensic Accountant in Combating Fraudulent Activities**

A forensic accountant should perform the following responsibilities as listed below:

#### **Conducting Investigation**

The failure of statutory audits in recent years, along with sophisticated financial fraud, necessitated the necessity for forensic auditing.<sup>36,48</sup> Thus, the forensic accountant possesses unique investigative capabilities for detecting and preventing fraudulent acts, ultimately countering financial fraud. In light of the foregoing, a forensic accountant goes beyond the standard audit in order to uncover fraudulent activity through the use of forensic software tools when conducting and examining transactions and occurrences.

#### **Financial Transactions Analysis**

A forensic accountant must possess unique abilities in the examination of papers for authenticity, alteration, forgery, or counterfeiting. Thus, by acquiring these skills, the forensic accountant may readily spot errors, fraudulent actions, and omissions in the course of his tasks, thereby preventing and minimising fraudulent activities. A forensic accountant is responsible for analysing and diagnosing potential fraud schemes, as well as their associated symptoms.<sup>36</sup>

In performing his or her duties, a forensic accountant reconstructs missing accounting records in order to resolve issues such as insurance claims, incorrect inventory valuation, and demonstrating money laundering operations through the reconstruction of cash transactions.<sup>36</sup>

### **Embezzlement Inquiry**

A forensic accountant's responsibilities include the following:

- i. Detection, documentation, and presentation of fraud in criminal investigations and insurance claims.
- ii. Determine economic losses, track income and assets, frequently in an attempt to uncover hidden assets or income.
- iii. Financial statement reconstruction in the event that they have been destroyed or corrupted.
- iv. Appointment of an expert witness.

The above roles demonstrate that a forensic accountant must be an expert in financial matters and possess legal knowledge in order to discover fraudulent acts that will be presented in a court proceeding.<sup>49</sup>

#### **2.1.8 Challenges of Forensic Accounting Application in Nigeria**

With the surge in financial accounting fraud that has occurred in the current economic climate, financial accounting fraud detection has emerged as a critical issue for academics, research, and industry. The inability of firms' internal auditing systems to detect accounting fraud has resulted in the deployment of specialist processes to detect financial accounting fraud, collectively referred to as forensic accounting. <sup>50</sup> Though financial fraud has been widely publicised in Nigeria, particularly in the banking system, researchers offer suggestions based on real-world examples on how to apply forensic accounting to investigating variances and suspected

fraudulent activities in manufacturing processes, implying that forensic accounting can be applied to any scene where fraud is a possibility.<sup>36,50</sup>

In Nigeria, forensic accounting encounters numerous bottlenecks. These include an inability to operate independently and effectively, a lack of technical capabilities and the inability to gather admissible information in a court of law, a diminished emphasis on service quality, conflicting regulatory codes and standards, and a lack of harmonisation and unification of all existing sectoral corporate governance codes applicable in Nigeria (CBN, SEC, and PENCOM codes).<sup>50</sup>

The difficulties with using forensic accounting include that it lacks the admissibility of evidence in accordance with applicable evidence rules, which is critical for successful prosecutions of criminal and civil claims.<sup>50</sup>

Due to the globalisation of the economy and the fact that a fraudster can be located anywhere in the globe, the issue of interjurisdiction has arisen. A significant impediment to the implementation of forensic accounting in the control and management of financial crime in Nigeria is that the law is not always up to speed with technological improvements.<sup>51</sup> Forensic accounting is viewed as an expensive function that can only be afforded by large corporations. Thus, the majority of organisations prefer to resolve the dispute outside of court in order to avoid the high cost and risk of unfavourable publicity on their business image.

Additionally, forensic accounting is a relatively new trend, especially in emerging nations. As a result, competent accountants with sufficient competence and technical expertise in forensic accounting are few.<sup>36,50,51</sup> The application of forensic accounting faces the following obstacles.

- i. A fundamental problem confronting a forensic accountant is the duty of assembling admissible evidence in a court of law.

- ii. Admissibility of evidence in accordance with applicable laws is critical to the success of criminal and civil cases.
- iii. The globalisation of the economy and the fact that a fraudster can operate from any location on the planet have created the issue of inter-jurisdiction.

A significant impediment to the use of forensic accounting in fraud control in Nigeria is that the law is not always current with technological improvements.<sup>50</sup> Additionally, forensic accounting is viewed as an expensive service that is only accessible to large businesses. Thus, the majority of businesses choose to resolve the dispute outside of court in order to avoid the high cost and risk of negative press on their company image.

Forensic accounting is a growing trend, especially in emerging nations. As a result, accountants with sufficient technical expertise in forensic accounting are few. The significance of forensic accountants can be easily appreciated in light of the inadequacy of statutory audits to detect and prevent fraud, as summarised by a forensic accountant.

**Assist the Police with their Investigation:** A forensic accountant conducts criminal investigations on behalf of the police, with the goal of presenting evidence in a professional and succinct manner.<sup>50</sup>

**Enhance Executive Accountability:** The financial sector has recognised a critical need for competent experts who can identify, disclose, and prevent deficiencies in three critical areas: poor company governance, defective internal controls, and misleading financial statements. Forensic accounting abilities are becoming more valuable in a corporate reporting system that places a premium on accountability to stakeholders.<sup>50</sup>

According to the preceding statement, a forensic accountant's specialist knowledge of crime will assist management in developing a corporate reporting system that will reveal and prevent bad governance, defective internal control, and fraudulent financial statements.

**Increase the Independence of Auditors:** External auditors are frequently afraid to reveal instances of management fraud to stakeholders, even when such fraud is clear. This erodes the auditor's independence, as he is fearful of losing his job, as they are frequently appointed by the management that compiles the audited accounts.<sup>50</sup> Enhancing financial reporting systems via the use of expertise, knowledge, and talent in both financial and non-financial concerns, and the forensic financial reporting system through the use of proactive methods of fraud detection have bolstered the independence of external auditors.<sup>50</sup>

**Assist Members of the Audit Committee:** Forensic accountants support audit committee members in carrying out their oversight responsibilities by providing improved tools that ensure the external auditor produces a quality assurance audit report. In carrying out his obligations for fraud control, he uses a data-driven fraud detection tool that is proactive, as opposed to the traditional technique, which is reactive and is used by the external auditor while performing statutory audit functions.<sup>51</sup>

**Contributing to Fraud Detection:** A forensic accountant's analytical and technological talents enable him or her to easily discover financial fraud performed by management, thereby preventing business failure. A forensic accountant is familiar with and adept at detecting and preventing company fraud through the use of Benford law (fraud analytical digital tools).<sup>52</sup> Thus, one may argue that a forensic accountant's assistance in detecting and preventing fraudulent actions has aided firms in minimising financial fraud, which has frequently resulted in corporate collapse.

### **2.1.9 Instances of Using Forensic Accountants in Nigeria**

Scholars used a combination of simple auditing techniques such as internal control evaluation tests on randomly selected significant transactions, simple accounting ratio analysis, and simple variance analysis to uncover a series of fraudulent activities that were concealed incrementally over a four-year period in the financial statements of a Nigerian company. The forensic investigation produced an accounting study that disclosed the full extent to which fraudulent actions in the purchasing and production division impacted the company's fortunes throughout the specified time period.

The researchers investigated the use of forensic accounting as a tool for detecting and preventing fraud in public sector enterprises.<sup>53</sup> Their study focused on Kogi State. The study gathered data from both primary and secondary sources. 370 copies of the research questionnaire were distributed to employees of five selected state ministries, with 350 copies duly completed and returned. Oral interviews supplemented this quantitative data collection strategy. The use of forensic accountants has been shown to drastically minimise the occurrence of fraud cases in the public sector. However, it has been established that Kogi State does not employ forensic accountants.

### **2.1.10 Fraud as a Global Phenomenon**

Fraud happens when one party exploits a system in order to deceive others for personal gain. It is hypothesised that fraud is a means by which the truth can be concealed deceptively in order to defraud others. Due to the perception of fraud as a huge business, the magnitude of undetected and unreported crimes has remained a mystery.<sup>36</sup> It encompasses a broad range of illegal activities including deliberate deception and misrepresentation.<sup>50</sup> It is a pandemic socioeconomic

malaise that has infiltrated both the business and governmental sectors of rich and emerging nations alike.<sup>54</sup>

According to the Association of Certified Fraud Examiners' 2018 Global survey on occupational fraud and abuse, there were 2,690 actual occurrences of occupational fraud resulting in actual losses of more than \$7 billion.<sup>55,56,57</sup> It was determined that tips accounted for 40% of occupational fraud detection, internal audits accounted for 16%, and management reviews accounted for 13%, among other methods of detection.<sup>55</sup> There have been recorded incidences of banking fraud, in which a single gang of forgers defrauded over fourteen countries of over 500 billion rupees (about \$70.4 million at 71.02 Indian rupees to the dollar).<sup>58</sup> In another instance, a bank computer engineer robbed a bank of several cores of rupees, which equates to almost \$10.2 million.<sup>59</sup> At the current exchange rate of N413.76 to \$1.60, it equates to almost N4.2 billion in Nigerian currency.

### **2.1.11 Internal Control System**

Internal control can mean a variety of things to a variety of different people. This creates uncertainty among corporate owners, legislators, and regulators, resulting in miscommunication and drastically divergent expectations among a corporation's various stakeholders. Issues get complicated and if not explicitly defined, are incorporated into law, regulation, or rule (Committee of Sponsoring Organizations of the Treadway Commission).<sup>36</sup> This is particularly true when determining whether a control system should be required, advisory, or proprietary. COSO defines internal control as a process established by an entity's board of directors, management, and other personnel with the objective of providing affordable assurance regarding the achievement of specified objectives in the following categories: operational effectiveness and

efficiency, financial reporting reliability, and compliance with applicable stated laws and regulations.

COSO describes control as having five components in its COSO Internal Control-Integrated Framework, a widely utilised framework not just in the United States but throughout the world: The management setting establishes the tone for the organisation, influencing its employees' management consciousness. It serves as the motivation for all aspects of management; risk assessment which is the process of identifying and analysing relevant risks to the accomplishment of objectives, so establishing a foundation for risk management; data and communication—systems or processes that enable the identification, capture, and sharing of data in an extremely kind and timely manner that enables individuals to perform their tasks; management activities—policies and procedures that ensure that management directives are squarely applied to allocated funds; monitoring processes track the control performance standard over time. Preventive Controls are intended to minimise the occurrence of errors or abnormalities. They square measure proactive controls that aid in the facilitation and monitoring of division aims. Preventive controls include the following:

- i. Segregation of Duties: Duties are assigned to distinct individuals to minimise the possibility of error or inappropriate behaviour. Typically, the functions of authorising transactions, recording transactions (accounting), and managing the associated quality (custody) are divided into separate units. Approvals, Agreements, and Authentications: Management permits employees to carry out certain tasks and conduct specific transactions within specified parameters. Additionally, management outlines which actions or businesses require prior clearance from superiors. Consent (manual or

electronic) from a supervisor means that he or she has verified and validated that the activity or human activity is compliant with established policies and procedures.

- ii. Asset Security (Preventive and Detective): Access to equipment, inventory, securities, money, and other non-cash assets is restricted; assets are periodically counted and compared to the values recorded in management records. Detective Controls are specifically developed to look for errors or inconsistencies after they have occurred. The following are examples of detective controls: Performance
- iii. Reviews: Management analyses current performance to budgets, predictions, past periods, or alternative benchmarks in order to determine the extent to which goals and objectives are being met and to identify unexpected results or unusual conditions that require follow-up. Reconciliations: an operator connects disparate sets of information, detects and analyses discrepancies, and, where necessary, takes corrective action.

## **2.2 Theoretical Review**

A theoretical definition describes a word's meaning in terms of the theories of a certain discipline. This form of definition presupposes both familiarity with and acceptance of the theories upon which it is based. To define theoretically is to establish a hypothetical construct. The theory for this study is anchored on: Agency theory, Punishment-Deterrence Theory of Punitive Damages, White Collar Crime Theory of Fraud.

### **2.2.1 Agency Theory**

Adams' agency theory and internal audit are two theoretical frameworks that drove this investigation.<sup>61</sup> The accounting literature makes considerable use of agency theory to explain and forecast the selection and performance of external auditors and financial consultants. Adams claimed that agency theory also serves as an effective theoretical framework for studying the

internal auditing function. He also proposed that agency theory not only explains and predicts the existence of internal audit, but also the role and responsibilities assigned to internal auditors by the organization, and that agency theory also predicts how the internal audit function is likely to be affected by organisational change. He concludes that agency theory lays the groundwork for a wealth of research that benefits both the academic community and the internal auditing profession.

This theory is undoubtedly relevant to this study since it serves to clarify the function and responsibilities of internal auditors, which if used methodically, would aid in the improvement of financial performance in Nigerian tertiary institutions. Businesses, according to agency theory, are necessary structures for contract maintenance, and through firms, it is feasible to exercise control over agents in a way that limits their opportunistic behaviour.<sup>62</sup> To ensure that the agent's and principle's interests are aligned, a complete contract is written; they also say that the relationship is enhanced further by the principal employing an expert to monitor the agent, which corroborates the job of the forensic accountant.

### **2.2.2 Punishment-Deterrence Theory of Punitive Damages**

On a philosophical underpinning. Cesare Beccaria and Jeremy Bentham, two utilitarian philosophers from the eighteenth century, developed the deterrence hypothesis as both an explanation for crime and a technique for reducing it.<sup>63</sup> The term "damage" was defined as the loss inflicted by one person to another, whether to his person, property, or relative rights, by intent, carelessness, or default, whereas "damages" refers to the compensation recoverable by the injured party from the individual who caused the injury.<sup>61</sup> The broad premise upon which the law permits damages for a violation of a civil right is founded on the doctrine that when a civil right is violated, the law provides a remedy that should be proportionate with the hurt caused.

The traditional legal and economics view of tort liability is as follows: actors will exercise reasonable care (i.e., cost effective reasonable precaution) as long as they are required to pay for the harms produced by their unjustified risks. Compensation is the underlying principle that governs the assessment of damages. Damages are awarded to compensate the aggrieved party, not to punish the culprit. This theory makes the following assumptions:

- i. actors will pay compensatory damages in every instance in which they take unreasonable risks and cause harm to others;
- ii. compensatory damages can be accurately calculated to reflect the total cost of the harm inflicted; and
- iii. damages are paid as an indemnity to the injured party, not as a punishment to the wrongdoer. When coupled with fraud, gross carelessness, malice, or oppression, exemption exists, and hence such damages are occasionally awarded as a punishment to the offender. As a result, the forensic accountant is required to quantify the magnitude of the loss in terms of the cost to the injured party.

This theory is relevant to this study in the sense that

### **2.2.3 White Collar Crime Theory of Fraud**

Edwin Sutherland coined the term "white collar crime" in 1939. That is, a crime perpetrated by a respectable and high-status individual in the course of his employment.<sup>64</sup> Corporation-related offences were also mentioned. Sutherland first proposed his idea in an address to the American Sociological Society in an attempt to analyse two fields, crime and high society, that had previously lacked empirical association. White collar criminals were characterised and motivated differently than conventional street criminals. He employed the notion to refute established prejudices and theories. This idea presupposes that prosecutors and judges are more lenient with

white-collar criminals than with street criminals. He highlighted that less than 2% of those sentenced to prison in a given year were from the upper class during his period. His objective was to establish a link between wealth, social position, and the likelihood of being arrested for a white-collar crime, as opposed to more apparent, more common crimes.<sup>65</sup>

### **2.3 Empirical Review**

In a work on Contemporary issues in Forensics Accounting and Forensics Audit.<sup>66</sup> The study examined the relationships between the presence of forensic accountants (PFA), the number of accountants with forensic accounting capabilities (NAFT), and the level of forensic accounting practises and employee theft (EET), financial fraud (EFT), and top management fraud (ETMF). The study employed a survey research design. The study's population is made up of management personnel from chosen financial organisations. The financial firms were chosen because, among other things, the sector has been plagued by instances of financial fraud. A random sample of 105 respondents was used. Simple random sampling was used for the sampling. The data collection instrument used was a well-structured likert scale questionnaire. The study analysed the data using the spearman rank correlation approach. The study's findings indicate that there are strong negative associations between PFA, NAFT, and EFAP and EFR..

In a study that looked at the relevance of forensic accounting in the effective reduction in fraudulent practices in Nigeria.<sup>36</sup> Multiple regression analysis was used to examine the empirical data acquired via questionnaire and oral interview, and the formulated hypothesis was also tested. The study examined the use of forensic accounting in the investigation and detection of fraud in Nigeria, utilising the whole personnel of the designated anti-corruption agency (EFCC) and three of the country's largest professional accounting firms from 1999 to 2010. The results of the tests indicated that fraud reduction is significantly and positively related to fraud investigation and

detection via forensic accounting; thus, the hypothesis that fraud prevention is not significantly related to fraud investigation and detection via forensic accounting was rejected.

In another similar study that examined the effect of forensic accounting services on unethical practices in Nigerian banking industry.<sup>67</sup> The study employed a cross-sectional survey research approach, in which data were gathered via questionnaires distributed throughout banks and analysed using the ordinary least square technique. The study's findings indicate that forensic accounting services have a considerable impact on check fraud, credit card fraud, and mortgage fraud. Finally, the study concluded that banks in Nigeria have embraced forensic accounting services such as litigation support, fraud investigation, and expert consulting. A bank that wishes to expand while maintaining a low level of unethical behaviour must therefore provide sufficient resources to properly practise forensic accounting in each of its departments. Just as banks employ additional safeguards to prevent unethical behaviour, forensic accounting services can instil confidence in financial statements by having a major impact on unethical behaviour. The study concluded that in order to ensure the bank's continued effectiveness, unethical actions must be monitored, recognised, and prevented in the banking industry, with forensic accounting services serving as a tool to assist in this effort.

Despite the fact that mandatory audits are conducted, the number of fraud and corruption cases has increased dramatically. This increased demand for forensic auditing services, and audit firms responded by offering this service. However, audit firms lack sufficient resources, training, knowledge, and practical experience. Taking these aspects into account, this research intended to determine the efficiency of forensic audit as a technique for detecting and preventing fraudulent activities by using a case study of a Chartered Accountancy firm in Zimbabwe. The study took a hybrid strategy, obtaining quantitative data from closed-ended questions quantified using the

Likert scale. Qualitative data were acquired through open-ended questions and three in-depth interviews. Twenty surveys were sent randomly, 19 were returned, and one was lost during the distribution procedure. Multiple regression was used to examine the data, and the results were presented in the form of bar graphs and tables with accompanying explanations. The study discovered a positive correlation between training, education level, and the capacity to recognise and avoid fraud. Additionally, it was shown that litigation support services play a critical part in forensic auditing's success in detecting and preventing fraud. Recommendations were given to increase the number of training sessions and to engage in training and development programmes to ensure that auditors are adequately equipped with knowledge.

The primary focus of forensic accounting is on exposing financial fraud. Financial fraud has been steadily increasing on a global scale, particularly in the UAE banking sector, during the last decade. As a result, the cumulative actions of financial frauds necessitate a high level of forensic accounting engagement in order to conduct an effective investigation and assess the performance of those associated with the illegal activities. Forensic accounting is expected to aid in lowering or eliminating the susceptibility of traditional accounting and auditing systems to financial fraud. The primary objective of this research is to ascertain the influence of forensic accounting methods on detecting and preventing alleged frauds in the UAE banking sector. The research's key findings indicate that forensic accounting has a considerable impact on the detection of fraud within the UAE's banking industry.

In another study that examined the Forensic accounting techniques and fraud prevention in Sierra Leonean money deposit banks.<sup>68</sup>

This study employed a survey methodology to investigate forensic accounting practises and fraud prevention in Sierra Leonean money deposit banks. The regression estimates demonstrate

the effect of forensic accounting techniques on corporate governance, internal control, and whistle blowing, indicating that forensic accounting techniques have a positive significant effect on corporate governance, internal control, and whistle blowing, respectively, of the surveyed Sierra Leonean dioceses. The growth in financial fraud cases as a result of statutory audits' inability to detect and prevent fraudulent activity has increased demand for the services of forensic accountants. This article discusses how forensic accountants can be used to address this issue. The study was a theoretical examination of the roles of forensic accountants in combatting fraudulent activities, the distinctions between forensic and traditional accountants, the characteristics of a forensic accountant, and the impact of forensic accountants in detecting and preventing fraud. According to the research, their services will aid audit committee members in carrying out their oversight responsibilities by offering confidence on internal audit reports. Several recommendations are made, including that the government reduce the cost of engaging forensic accountants and treat all defendants similarly.

In a study to ascertain whether a forensic accounting investigation has an effect in detecting fraud in Nigerian Deposit Money Bank.<sup>69</sup> The study's aims are to assess the effect of forensic accounting investigations on financial fraud in Nigerian deposit money banks and to investigate if forensic accounting investigation reports can help courts adjudicate financial fraud cases in Nigeria. The cross-sectional survey design was used in this investigation. The study population included employees and managers of selected Deposit Money Banks and Chartered Accounting businesses in Owerri, Imo State. Purposive sampling was used, as only those competent and experienced in the subject area were chosen. Thus, a purposive sample of one hundred and thirty-five (135) members of the staff and management teams of banks and chartered accounting firms was chosen. The evaluation of this article demonstrates that forensic accounting

investigations are effective at detecting financial fraud in Nigerian deposit money banks. As a result, the findings clearly support the usage and implementation of forensic accounting investigations in Nigeria for the purpose of detecting financial fraud.

In a another related study which investigated the relationship between forensic accounting practices and the prevention of fraud in manufacturing companies in Nigeria.<sup>70</sup> Primary data were gathered through fifty (50) structured questionnaires distributed to the accounting staff of ten (10) industrial enterprises. Multiple regression analyses were performed on the collected data using the Ordinary Least Square approach. The research discovered a favourable and statistically significant correlation between fraud investigation techniques and fraud prevention in manufacturing firms. Additionally, the findings indicated a positive and statistically significant association between fraud litigation tactics and fraud prevention in manufacturing firms. We conclude from the findings that fraud investigation methods are critical for preventing fraud in manufacturing organisations. Similarly, fraud litigation techniques play a critical role in fraud prevention. On the basis of the foregoing, it is recommended that Nigerian manufacturing enterprises strengthen their forensic accounting methods in order to deter fraud. This they can accomplish by making financial records forensic audits a regular and routine process. Manufacturing should also ensure that any employees who commit fraud are immediately investigated and convicted, preferably in full public view, to serve as a deterrent to others in the future. Finally, it is recommended that manufacturing organisations acquire the services of qualified forensic accountants skilled in the application of proper fraud deterrence techniques in order to prevent fraud before it occurs.

In a study that examined the impact of forensic audit on fraud detection and prevention in the Nigerian banking sector.<sup>71</sup> The study conducted a census of the sixteen Deposit Money Banks

(DMBs) that were listed on the Nigerian Stock Exchange (NSE) as of December 31, 2016. The study gathered data from the annual reports of the Nigerian Deposit Insurance Corporations (NDICs) in 2013 and 2016. The study lasted five (5) years, from 2012 to 2016. Charts, graphs, tables, and regression were used to examine the data generated. Our findings indicate that forensic audit has a considerable adverse effect on the number of fraud cases, the number of employees implicated in bank fraud, and the real amount of bank losses due to fraud in the Nigerian banking system. However, forensic auditing has a little effect on predicted fraud losses in Nigerian banks. This report suggests that banks in Nigeria increase their use of forensic audits in the battle against systemic fraud and forgeries. Additionally, forensic auditing should be concentrated on identifying instances of fraud and employee involvement in the Nigerian banking system. Personnel welfare and compensation should be addressed, as staff play a critical role in preventing fraud in any organisation, including Nigerian banks.

Furthermore, in a study that evaluated the application of forensic accounting techniques in preventing/detecting fraudulent practices in commercial banks in Nigeria by specifically assessing the impact of commercial data mining, ratio analysis and trend analysis techniques in fraud detection/prevention.<sup>73</sup> The implementation of forensic accounting techniques considerably boosted the detection/prevention of fraud in the financial system, as determined by descriptive statistics and the Ordinary Least Square (OLS) model. Additionally, the study demonstrated the value of ratio analysis and trend analysis tools in detecting and preventing fraud. Additionally, the study demonstrated the critical role of commercial data mining software in fraud detection and prevention, as well as the general lack of capacity and awareness among most bank staff regarding the operation of data mining technology and the use of trend analysis techniques in detecting/preventing fraud. It was advised that commercial banks be compelled to buy strong

data mining tools and receive better training on data mining's applicability and utility in the banking sector. Additionally, the usage of anonymous response hotlines should be promoted, as should extensive public awareness and prompt responses from banks to inquiries.

Similarly, in a study aimed at finding the effect of forensic accounting in curtailing fraud.<sup>73</sup> The study used the parametric Z-test statistical approach. The findings indicate that forensic accounting adoption will result in a decrease in financial statement fraud committed by bank employees in Nigeria. Additionally, this finding indicates that forensic accounting has a negative correlation with employee embezzlement fraud in Nigerian banking. Apex Bank should develop a model for forensic investigation that all banks should use to monitor and investigate any fraudulent actions in the sector, the report recommended.

In a paper that discusses whether the use and application of forensic accounting investigation have an effect in detecting financial fraud in Nigeria.<sup>74</sup> The study drew on prior research on forensic accounting and the methodologies used to apply it. The review of this article demonstrates that forensic accounting services are effective at discovering financial fraud. Additionally, the research found that forensic accounting investigations aid in the detection of financial crime and other illegal activities in Nigeria. In light of this, the paper proposes that professional accounting groups such as the Institutes of Chartered Accountants of Nigeria (ICAN) and the Association of National Accountants of Nigeria (ANAN) should promote forensic accounting specialisation among practising professional accountants. This could potentially aid in the reduction of financial fraud and related fraudulent activities in Nigeria's governmental and commercial sectors.

In a related study that assesses the effect of Forensic Accounting on fraud management.<sup>75</sup> The aims of this study were to determine the efficacy of forensic accounting in preventing fraud and

the beneficial effect of forensic litigation in recouping cash lost to fraud. The survey was designed in this manner. The data collection instrument was a questionnaire distributed to accounting personnel at Nigeria Breweries Plc, Cadbury Nigeria Plc, Nigeria Bottling Company, and Dupril Forma Nigeria Ltd, all of which are located in Aba, Abia State. A sample size of 190 was used. The study makes use of descriptive statistics, such as mean and standard deviation, and regression analysis to assess the provided hypotheses. The study's findings indicate that forensic accounting has a considerable impact on fraud identification and prevention. Additionally, it was discovered that forensic litigation has no discernible influence on the recovery of cash lost to fraud. As a result of the foregoing, it is advised that Nigerian companies strengthen their forensic accounting standards in order to deter fraud.

In a work that reviews forensic accounting and its application in oil and gas companies in Nigeria.<sup>76</sup>The specific objectives are to investigate fraud prevention and detection mechanisms and their effectiveness in Nigerian oil and gas companies, to identify the primary barriers to the application of forensic accounting in fraud prevention and detection in Nigerian oil and gas companies, to examine practitioners' perceptions and behavioural intentions regarding the application of forensic accounting in fraud prevention and detection in Nigerian oil and gas companies, and to expound on the findings. This article established that forensic accounting is still used in a very limited capacity in Nigerian oil and gas firms. Additionally, a lack of professional accountants with sufficient skill and technical know-how in forensic accounting, political factors, and top management involvement in fraudulent practises have all been identified as impeding the application of forensic accounting in Nigerian oil and gas companies. Thus, human resource development is critical, as is institutionalising forensic accounting in

Nigeria and engaging and allowing forensic accountants to anchor the investigation divisions of oil and gas corporations in Nigeria.

In a similar study that examined the application of accounting techniques in fraud examination/prevention in commercial banks of Nigeria by specifically assessing the impact of accounting technique on commercial Survey research design was utilized.<sup>77</sup> The study area included twenty-four (24) commercial banks in Nigeria at the time of the study. Additionally, frequency and percentages were used to analyse data, as well as combat alpha, which performed admirably with a value of 0.876, indicating a high level of internal consistency, and single factor ANOVA, which was used to test hypotheses comparing the difference between accounting technique and fraud examination. The frequency and percentages were used to analyse the data. Additionally, combat alpha performed admirably, with a value of 0.876 indicating a high level of internal consistency (data is reliable), whereas single factor ANOVA was used to test hypotheses comparing the difference between accounting technique (forensic accounting) and fraud control variables. Among the findings was that the application of GAAP/Accounting techniques significantly aids in fraud examination, thereby decreasing the occurrence of fraud cases in the banking industry.

In a work that examined the effect of forensic auditing on financial fraud in Nigerian (DMBs).<sup>79</sup> The study was designed as a cross sectional survey. The study population included employees of banks and audit firms in Abeokuta, Ogun State. The study administered questionnaires using a purposive sampling technique and analysed data using logistic regression analysis. The study's findings indicate that forensic audit has a substantial effect on preventing financial fraud in Nigerian (DMBs) with a P value less than 0.05 and that forensic audit reports considerably improve court adjudication on financial fraud in Nigeria with a P value less than 0.05. According

to the study, the use of forensic audit to combat financial fraud in Nigerian (DMBs) is still in its infancy. The report recommended that organisations implement a strong internal control system to help prevent fraud.

Also, in a study that examines the importance of the application of forensic audit in controlling financial frauds that ravage or threaten the soundness and business continuity of Deposit Money Banks (DMBs) in Nigeria.<sup>79</sup> The study employed survey design techniques and collected primary data via the administration of structured questionnaires to seventeen (17) banks out of twenty-two (22) Deposit Money Banks (DMBs) operating in the country, representing 77.3 percent. The Ordinary Least Squares (OLS) method was used to analyse and test hypotheses in this study, and the findings indicated that involving qualified and experienced forensic auditors would not only help mitigate financial fraud in DMBs, but would also bring much-needed sanity to Nigeria's banking sector. The study recommends that regulatory agencies, within the bounds of the law, require all banks to establish a special forensic department led by a professional forensic auditor that will develop and continuously implement effective and efficient internal controls, prosecute fraudsters on a timely basis as criminals and as a deterrent to others, and develop adequate training and development programmes for their staff, particularly in fraud investigations.

In a work to study the perceptions of accountants towards the relationships between forensic accounting and fraud in Nigeria.<sup>80</sup> More precisely, three factors were examined: the adoption of forensic accounting practises in order to improve fraud detection, the criticality of forensic procedures in fraud detection, and the perceived influence of forensic accounting on fraud reporting. The study's methodology is a quantitative assessment of the private sector in Nigeria. A random sample of thirty (30) respondents was drawn from the workforce of Adeniji Agboola & Co, and just one employee did not respond to the questions. The responses were gathered

using Google Forms, and the data were analysed using the SPSS programme. The majority of respondents supported the establishment of a forensic accounting profession as an additional means of discovering and reporting fraud and irregularities in Nigerian private enterprises. According to forensic accounting, an agency problem is one of the primary sources of fraud in Nigerian private enterprises. Forensic accounting is a sophisticated technique for detecting the high amount of fraud perpetrated by private firms in Nigeria. Forensic accounting enables the stability of Nigerian private enterprises' operating systems. The paper makes numerous advances to both applied economics and accounting procedures understanding. Assessing the forensic accounting profession's role will help to promote and increase the acceptance of accounting work in Nigeria.

In a work titled “Analysis and Management of Fraud In Nigerian Banking Industry: Stakeholders’ Perspectives”<sup>81</sup> The study examined the fraud trend in Nigerian Deposit Money Banks (DMBs) from 2005 to 2018 and stakeholders' assessments of the methods devised to mitigate the effects of fraud in DMBs. The data were gathered from the Nigerian Deposit Insurance Corporation's (NDIC) yearly reports and from respondents via a structured questionnaire. A total of 50 senior staff members with at least ten years of experience were selected from ten banks (five from each bank) with a relatively high number of fraud incidents. The descriptive statistics method was used to analyse the data. The investigation finds that fraud incidents and the value of frauds have increased in the Nigerian banking industry, particularly with the advent of e-banking. The respondents concurred on the efficacy of the technologies and tactics used to prevent and minimise fraud. However, additional education of consumers regarding safe handling of security information, quick and effective prosecution of fraudsters,

compliance with and enforcement of applicable fraud prevention statutes, and strengthening of banks' internal control units remain desirable.

In a related work on Forensic accounting and financial crimes in Nigerian public sector.<sup>82</sup> The study used a survey research methodology and linear regression to examine empirical data acquired via questionnaire and oral interview, as well as to test the hypothesis formulated. The hypothesis was found to have a substantial but negative effect (decrease) on financial crimes in the Nigerian public sector when examined at a 5% level of significance. It was recommended that forensic accounting experts be hired to provide additional litigation support services, acting as expert witnesses to assist the court in reaching a decision on issues that the court may not ordinarily have the knowledge to decide, and that more forensic accountants be hired to help reduce the rate of fraud in the Nigerian public sector.

In a study, the impact of auditors captured through risk assessment, system audit, and financial report verification on banking fraud control in Southwest Nigeria was explored.<sup>83</sup> The study used a survey design, administering a series of questionnaires to selected banks in Southwest Nigeria. The analysis was conducted using multiple regression and ANOVA. The findings indicated that the level of fraud control in Nigerian banks was low during the study period; the findings also indicated that risk assessment management, system auditing, and financial report verification practises adopted by the banking industry in Southwest Nigeria reduce fraudulent activities in Nigerian banks by 35, 13, and 18 percent, respectively; and the findings indicated that audit roles captured by risk assessment, system auditing, and financial report verification as revealed by ( $T_{cal} 4.446, 2.251 \text{ and } 3.708 > T_{tab} (141) = 1.684$ ). According to the findings, risk assessment, system audits, and financial report verifications are conducted to determine the effectiveness and impact of auditors on fraud control in Nigerian banks, indicating that auditors'

roles need to be strengthened to improve fraud control in the banking industry. The study recommended that auditors broaden their focus on the effectiveness of banks' internal control systems, risk assessment, and system audit in order to boost the likelihood of detecting fraudulent activity. Additionally, bank management should ensure rigorous adherence to their unique internal control systems.

In a study carried out to empirically examine the significant difference between forensic Accounting and fraud detection in the Nigerian public sector.<sup>84</sup>

The goal of this article is to conduct a research survey with a sample size of one hundred (100) respondents who are auditors and accountants from four (4) ministries in Edo state, Nigeria. Analysis of variance was employed to examine the hypotheses (ANOVA). According to their findings, forensic accounting is effective in detecting fraud in the Nigerian public sector, there is a significant relationship between forensic accounting and litigation support services in Nigerian courts, and finally, forensic accounting is effective in preventing fraud in the public sector. The authors recommended that the public sector develop a continuous improvement process for internal control systems and implement effective and efficient internal controls, that they adopt a sound accounting system in principle and effective practises, that forensic accountants receive adequate training in forensic accounting skills and procedures, and that public sector officials embrace integrity, objectivity, fairness, and accountability as a moral obligation to help reduce corruption.

In a work titled “Forensic accounting and fraud mitigation in the Nigerian banking industry”<sup>85</sup>. The study explored if there is widespread agreement among stakeholders regarding the effectiveness of forensic accounting in preventing financial fraud, enhancing financial reporting, and ensuring the quality of internal controls. The study employed a survey design with a sample

size of 143 accountants, management personnel, professional auditors, and shareholders. The sample size was determined using the simple random procedure, and the data analysis was performed using the binomial test. The study's findings demonstrate that stakeholders agree on the usefulness of forensic accounting in fraud control, financial reporting, and internal control quality. In light of the foregoing findings, it is proposed that the Nigerian Institute of Chartered Accountants, the Nigerian Association of National Accountants, and the National Universities Commission promote formalisation and specialisation in the field of forensic accounting. Additionally, the government should foster interest in forensic accounting in order to monitor and investigate potential incidents of corruption.

In a research on Impact of Forensic Accounting Investigation on Public Sector Financial Crimes in Nigeria.<sup>86</sup> The study concentrated on the Independent Corrupt Practices and Other Related Offences Commission's investigation efforts (ICPC). The study gathered data from primary and secondary sources and analysed five (5) years of ICPC Investigation Reports (from 2015 to 2019) to determine the impact of forensic accounting investigations on public sector financial crimes in Nigeria. X<sup>2</sup>-square was employed to test hypotheses. In the years under review, the Commission obtained more convictions for Public Sector Financial Crimes probed by forensic accountants than by conventional investigators. On a likert scale of highly agreed, agreed, strongly disagreed, and disagreed, 61.7 percent and 16.7 percent of respondents strongly agreed that Forensic Accountants are more result-oriented in their investigation and prosecution of public financial crimes, respectively. This was consistent with the Commission's actual findings in investigated and prosecuted cases over the period, when 15% and 6.7%, respectively, strongly disagreed and disagreed on the impact of forensic accounting inquiry on public sector financial crimes. Among the findings were that the application of forensic accounting abilities has a substantial influence

on public sector financial crimes in Nigeria and that there is a significant difference between Forensic Accountants as Investigators and Traditional Financial Crimes Investigators. This suggests that the application of Forensic Accounting in financial crime investigations can be more result-oriented than other types of financial crime investigations in the Nigerian public sector. The study therefore recommends that Forensic Accountants be replaced by traditional financial crime investigators in the Nigerian public sector; that adequate training and retraining in forensic accounting be provided to public sector employees; and that proper adherence to forensic accounting standards be ensured.

In a study carried out with the aim of examining Fraudulent Activities and Forensic Accounting Services.<sup>87</sup> The specific objectives of the study are to examine the extent to which the application of forensic accounting services in quoted Nigeria banks deter fraudulent activities, to determine how the application of forensic accounting detect and minimize computer related fraud or e-crime, as well as to investigate the relationship between forensic accounting and financial fraud control. The primary data was the instrument for the purpose of research data gathering. The instrument used for the purpose of this research was gathered through primary source. The mass of information generated from the questionnaires was summarized in form of table and analysed using simple percentage. The researcher administered two hundred (200) questionnaires to respondents, out of which one hundred and eighty-eight (188) were retrieved for the purpose of presenting and analysing responses to issues raise in the questionnaires. The hypotheses were tested using chi-square statistical tool. The findings from the analysis revealed among other things that the application of forensic accounting services in quoted Nigeria banks deters fraudulent activities. The study also show that the application of forensic accounting detect and minimize computer related fraud or e-crime, and that there is a significant relationship between

forensic accounting and financial fraud control. In line with the findings, we therefore recommend that corporate organizations (especially banks) should encourage active personnel to learn financial rules of crimes and their application such as forensic accounting.

In a similar study that investigated forensic accounting as a tool for fraud prevention and detection in deposit money banks in Nigeria.<sup>87</sup> The study's objective was to determine the effect of forensic accounting on fraud prevention and detection in Ekiti State deposit money institutions. The study employed a descriptive survey approach and elicited data from respondents via a well-structured questionnaire. The population consisted of 12 deposit money banks in Ekiti State, with each bank having four key staff members (a head of operations, a fund transfer officer, resident internal control officials, and cash officials). The population of this study consisted of all 44 staff members, and due to the small size of the population, all 44 staff members were used in the study, which was accomplished by purposive sampling procedures. Simple linear regression was used to evaluate the data collected. It was revealed that forensic accounting had an effect on the detection and prevention of fraud in Ekiti State money deposit banks. Thus, the study recommended that forensic staff members, including the head of operations, fund transfer officers, resident internal control officials, and cash officials, attend conferences and seminars on the application of forensic accounting skills and techniques to prevent and detect fraud both within and outside the country.

In a study that focused on the application of forensic accounting techniques to effectively investigate cases of bribery in order to ensure that those accused of such actions face adequate prosecution.<sup>88</sup> The survey research approach was used to ensure that valid data were acquired empirically to aid in examining the association between forensic accounting and the investigation of bribery cases. To determine the influence of forensic accounting on the investigation and

detection of bribery in Nigeria, multiple regression analysis was used to analyse data obtained through questionnaires and oral interviews. The results indicated that the coefficients of bribery investigation and detection were positive when forensic accounting techniques were used ( $\beta_1 = 0.220$  and  $\beta_2 = 0.079$ ). This means that, while forensic accounting is not currently being used by the EFCC to conduct investigation and detection of bribery cases, it is apparent that if it is, it will significantly aid in the successful detection and investigation of bribery cases. The regression analysis revealed that the p-value (0.207) associated with the coefficient of the autonomous variable is not significant at the 0.05 level of significance; the  $R^2$  of 0.076 has limited explanatory power for the variation in the dependent variable (bribery prevention); and the calculated F of 1.641 is significantly less than the tabulated F of 4.08. Therefore,  $H_0$  is accepted. The study recommends that anticorruption agents use forensic accounting techniques to conduct effective investigations into cases of bribery, that investigators be trained in the use of forensic accounting techniques, and that professional accounting firms be involved in the investigation of corrupt practises (bribery).

In a work titled “Forensic Accounting and Fraud Detection in Public and Private Sectors in Abuja Metropolis, Nigeria”<sup>89</sup> From the accountants' perspective, this study examines the influence of forensic accounting on fraud detection in the public and private sectors in Abuja, Nigeria. One research topic was posed and one null hypothesis was evaluated in order to conduct this study. The study used a descriptive questionnaire design. A sample of 43 accounting officials from four federal ministries of government and five international corporations based in the Nigerian capital of Abuja. The data collection instrument was a validated questionnaire consisting of ten items with an overall reliability of 0.73 as determined by Cronbach alpha. The

mean and standard deviation were utilised to answer the research question, while the t-test was used to evaluate the hypothesis at a significance level of 0.05.

The study's findings indicated that accounting officers in both the private and governmental sectors firmly agreed that forensic accounting helps uncover fraud. Additionally, the survey discovered that accountants from the public and private sectors have similar mean ratings of the influence of forensic accounting on fraud detection in Abuja. The study concluded that genuine adherence to forensic accounting standards by internal and external auditors not only reduces corporate fraud but also enhances the financial reporting quality of accountants in both the public and private sectors of company. Among other recommendations, it was suggested that the government establish an independent forensic accounting agency with legal provisions enabling it to detect, monitor, and report fraudulent acts in the Nigerian corporate sector.

In another related study titled “Forensic accounting and financial crimes in Nigerian public sector”<sup>89</sup> The study used a survey research methodology and linear regression to examine empirical data acquired via questionnaire and oral interview, as well as to test the hypothesis formulated. The hypothesis was found to have a substantial but negative effect (decrease) on financial crimes in the Nigerian public sector when examined at a 5% level of significance. The study's findings indicated that forensic accounting, as measured by the Litigation Support Service, had a detrimental influence on financial crimes.. This is indicated by the negative sign of the coefficient, that is  $\beta_1 = -1.171$ ; which is  $< 0$ . The value of the coefficient  $-1.171$  indicates that increasing usage of litigation support services in forensic accounting to around 1.17 units will result in a decrease in financial crime in the Nigerian public sector. It was recommended that forensic accounting experts be hired to provide additional litigation support services, acting as expert witnesses to assist the court in reaching a decision on issues that the court may not

ordinarily have the knowledge to decide, and that more forensic accountants be hired to help reduce the rate of fraud in the Nigerian public sector.

In a work on Forensic Accounting and Fraud Detection in Nigerian Universities (A Study of Cross River University of Technology).<sup>90</sup> The study assessed the impact of forensic accounting and fraud detection controls in Nigerian universities using an empirical approach. The particular objectives were to assess the effectiveness of forensic accounting in preventing financial fraud, to assess the effectiveness of forensic accounting in enhancing the quality of financial reporting, and to assess the relationship between forensic accounting and internal controls. The study used desk survey methods to collect pertinent data from textbooks, libraries, and published and unpublished journals. Pearson Product Momentum: 90 Correlation analysis was used in this investigation. It was discovered that there is a considerable association between forensic accounting and financial fraud detection, forensic accounting and financial reporting quality, and forensic accounting and internal control. The study concluded that eradicating economic and financial crime through the system's use of forensic accounting would improve the institutions' public image. Additionally, it was advised that the government and regulatory bodies establish rules and norms to control forensic activities, and that Nigerians embrace integrity, objectivity, fairness, and responsibility in their daily actions.<sup>90</sup>

In a study to analyze The Challenges And Prospects Of Forensic Accounting And Investigative Audit As An Effective Tool To Repositioning Nigeria Economy.<sup>97</sup> The paper examines the potential and constraints of using forensic accounting and investigative audit to reorient the Nigerian economy. <sup>97</sup> The study surveyed internal and external auditors from four selected businesses in Lagos State (Cadbury Nigeria Plc, First Bank Plc, Price waterhouse Coopers, and non-performing assets). One hundred (100) questionnaires were distributed to respondents. The

findings indicate that forensic accounting is a critical practise that must be used in the effort to reposition the Nigerian economy.

If properly examined, forensic accounting and investigative techniques have the ability to unearth financial malfeasance, fraud, and theft at any point in time. On the basis of these findings, it is proposed that the practise of forensic accounting and investigative audit be emphasised in both the private and governmental sectors of Nigeria based on its feasibility in assisting in the reduction of financial malpractices and associated crimes in the country. Additionally, internal audit efforts should be monitored to ensure compliance with forensic accounting and investigative audit standards, which will help to eliminate fraud and other corrupt practises.<sup>97</sup>

In another related study on Forensic Accounting And Quality Assurance On Financial Reporting Of Public Sector In Nigeria.<sup>98</sup> The purpose of this empirical study is to evaluate the relationship between forensic accounting and quality assurance in the public sector financial reporting in Nigeria. The research's primary issue is whether the modifications made to forensic accounting and financial reporting quality assurance would close the gap. 98 Data on information transmission and relevance were gathered over time from selected public sector organisations in 18 Nigerian states, including the Federal Inland Revenue Service, the State Board of Internal Revenue Service, and the Federal Bureau of Statistics. Pearson product moment coefficient correlation analysis was performed using the social package for social sciences version 20.98. The statistical findings reveal that there is no statistically significant association between forensic accounting and quality assurance variables and financial reporting variables. As a result, we conclude that there is no discernible difference between forensic accounting and quality assurance in financial reporting and recommend that periodic fraud and forensic accounting

examinations of public institutions and strategically significant private companies be included in a new and improved corporate governance code.

Additionally, in a study titled “Effects of Forensic Accounting Investigation on Public Sector Financial Crimes in Nigeria”<sup>99</sup> The study's specific objective is to determine the extent to which prosecution and convictions have helped to curb bribery and corruption in Nigeria, as well as the extent to which funds recovered through system studies and reviews have aided in reducing the value of bribery and corruption cases in the Nigerian public sector. The study used an ex-post factor analysis design. The study's target population is reported corruption cases from the Independent Corrupt Practices and Other Related Offences Commission's (ICPC) 21-year compendium of cases (2000 -2020). Purposive sampling strategies were used to choose a total of fifteen (15) years from 2006 to 2020. Secondary data sources included ICPC publications and annual financial reports. The formulated hypothesis was analysed using Ordinary Least Squares (OLS) Regression with the aid of E-view 10. The findings established a strong link between forensic accounting investigations and public sector financial crimes in Nigeria. <sup>99</sup> The study finds that with increased application of forensic accounting investigative capabilities, financial crimes in the public sector in Nigeria can be significantly reduced. The study recommends that the ICPC and other anti-corruption agencies increase their use of forensic accounting expertise in investigating financial crimes in Nigeria, while also encouraging the use of forensic accounting litigation and non-litigation services in the fight against public sector financial crimes in Nigeria.<sup>99</sup>

In a paper that examines the dynamics of integrating forensic accounting into the academic programmes of the universities in Nigeria.<sup>100</sup> The study is a cross-sectional survey that makes use of both primary and secondary data. The study surveyed forensic accounting specialists in

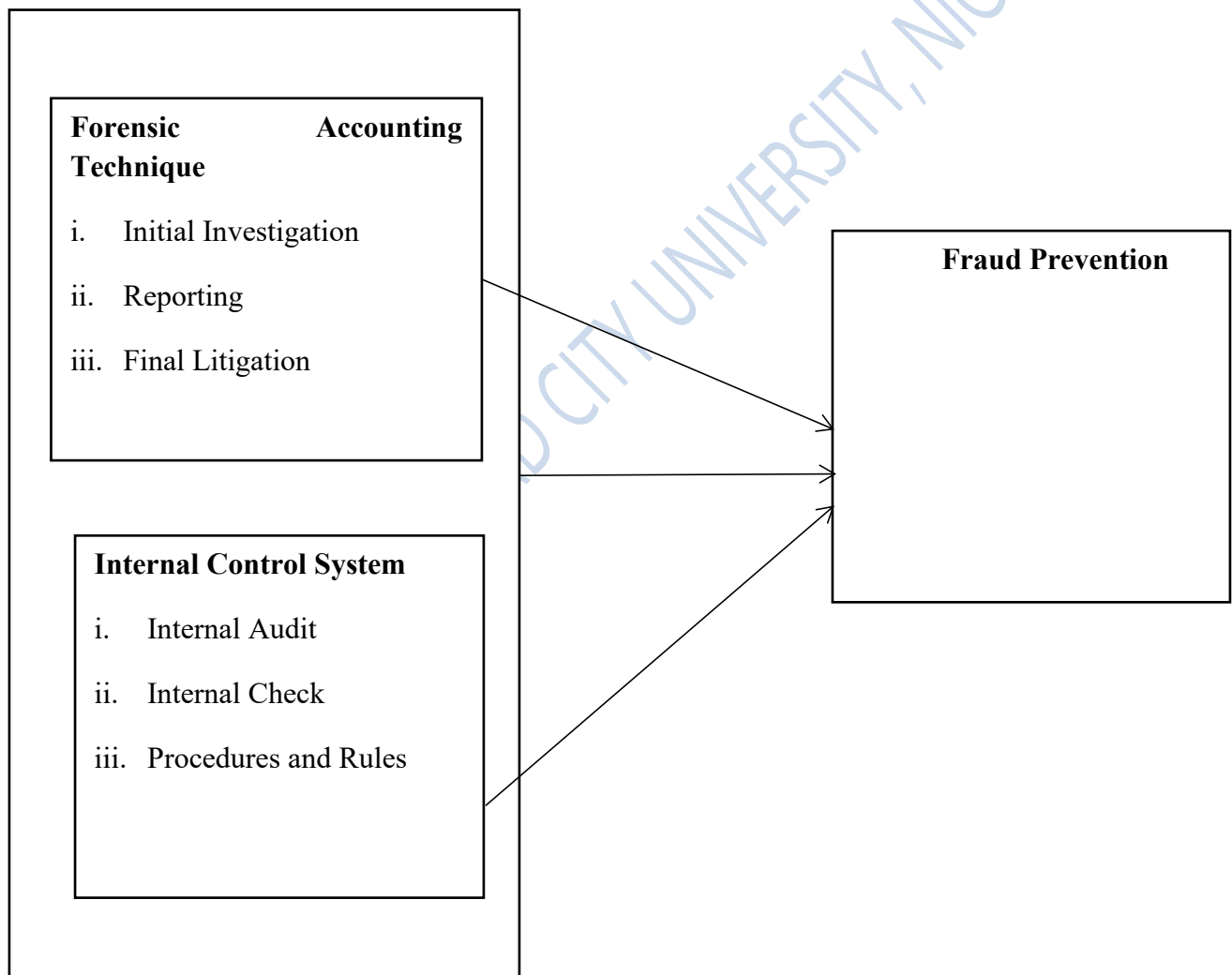
Nigeria, including academic and private practise. The data gathered are analysed using both descriptive and inferential statistics. The study's findings indicate that no university in Nigeria now provides a full-fledged degree programme in forensic accounting. Academic programmes in forensic accounting provide numerous opportunities. There have been identified impediments to the integration of new careers into academic programmes at Nigerian universities, most notably a scarcity of qualified academics to teach the courses; a lack of adequate facilities; and bureaucratic bottlenecks. In light of Nigeria's ignoble ranking on Transparency International's Corruption Perceptions Index, the study suggests that colleges should be proactive in responding to social demands and concerns. 100 The report advises that Nigerian universities overcome all obstacles in order to integrate forensic accounting into their academic programmes. Intending universities should solicit advice from relevant professional organisations and practitioners while establishing the programme, as this will improve graduates' career prospects. As this burgeoning field of knowledge advances, Nigeria's relevant authorities should ensure that the academic programme in forensic accounting is founded on a trustworthy basis emphasising scientific investigative methodologies, expert witness procedures, and problem-solving abilities.100

#### **2.4 Conceptual Model**

The conceptual model depicts the independent and the dependent variables of this study. Various studies confirm significant deficits in forensic accounting techniques, internal control system and fraud prevention. The model however, shows the relationship between the techniques of forensic accounting, internal control system and they individually and collectively prevent fraud in selected deposit money banks in Nigeria. It will investigate some forensic accounting techniques separately and examine how it prevent fraud in selected deposit money banks in Nigeria (see Figure 1). In doing so, it will look at the different forensic accounting techniques and how the

application of this techniques prevent frauds in selected deposit money banks. It will also explore the role of the internal control system by identifying different internal control systems in preventing frauds in selected deposit money banks in Nigeria.

With the use of forensic accounting techniques and internal control system, fraud is likely to be prevented. Hence, forensic accounting and and internal control can be used to control fraudulent activities in selected deposit money banks in Nigeria.



**Figure 2.5: Conceptual Model on Forensic Accounting Techniques, Internal Control System and Fraud Prevention in Selected Deposit Money Banks in Nigeria, by Researcher 2022.**

## 2.5 Chapter Summary and Gap in Literature

The purpose of this literature review is to provide an overview of numerous concepts, including forensic accounting, fraud prevention, and fraud detection, as well as their interrelationships. The Agency theory was used as the theoretical framework. According to Agency theory, firms are necessary structures for contract maintenance, and it is possible to exercise control over agents through firms, which minimises their opportunistic behaviour. To ensure that the agent's and principle's interests are aligned, a complete contract is written; they also say that the relationship is enhanced further by the principal employing an expert to monitor the agent, which corroborates the job of the forensic accountant. Additionally, several empirical evaluations were conducted in this study to shed light on the forensic accountant's involvement in detecting and preventing fraud in Nigerian Money Deposit Banks.

In a paper titled “Effect Of Forensic Accounting On The Performance Of Nigerian Banking Sector”<sup>92</sup> The article analysed the influence of forensic accounting on the Nigerian banking sector's performance. The data were compiled using a random sample of Guarantee trust bank and Access Bank Plc's annual reports and financial statements over the preceding twelve (12) years (2006-2017).<sup>92</sup> Multiple regression was used in the investigation. FAUD was used as a proxy for forensic accounting, and the dependent variables, net profit margin (NPM), profit after tax (PAT), and dividend per share (DPS), were used as independent variables. Multiple regression was used to analyse the data, with the E-view 9.0 software package serving as the data analysis tool.<sup>92</sup> The investigation demonstrates that forensic auditing has a considerable impact on the net profit margins of selected Nigerian banks. Additionally, it was noticed that forensic auditing had an effect on the earnings after tax of Nigerian banks. Additionally, the study found that forensic audit had a considerable impact on the retained earnings and dividend per share of

Nigerian banks. According to the study's conclusions, the researcher proposes that commercial bank management prioritise and expand their usage of forensic financial information, as this will aid in enhancing profitability.

In a study titled “Exploring the forensic accounting practice in the UK: evidence from the profession”<sup>93</sup>. This research focuses on the practise of forensic accounting in the United Kingdom and the accounting profession's role in the profession's professionalisation. The study will look at the problem that prompted the need for this professional work; how the accounting profession's subjective interpretation of the problem has impacted their legitimization of forensic accounting practise; the professional work that the accounting profession has managed to legitimise through such subjective interpretation; and the abstract and professional knowledge required to legitimise, strengthen, and extend the accounting profession's experience. 93 These disruptions result in professional rivalry, competitiveness, and, ultimately, jurisdictional settlement, all of which are examined in this paper.

While recent research in the field of forensic accounting has concentrated on issues relating to the practice's emergence, much literature remains silent on the role of the accounting profession in the process of forensic accounting's professionalisation, which resulted in the emergence and recent boom of this area of expertise. Additionally, the accounting literature obscures the role of social actors such as the major four accounting firms in the professionalisation process. This is because relatively little mainstream accounting research examines how accounting practises are socially constructed. As a result, our study makes a dual contribution. To begin, it contributes to the scarce forensic accounting literature by giving an in-depth examination of forensic accounting's characteristics and functions. Second, it provides actual evidence for the accounting profession's role in the progress of forensic accounting's professionalisation. The author took an

interpretive approach, taking into account the political and societal aspects impacting the forensic accounting practice's current viewpoint. A multiple case study design was used, with three subjects chosen for investigation: Big Four accounting companies, forensic investigative firms, and accounting professional bodies. Interviews, document analysis, and postal survey questionnaires were chosen as the suitable tools for an in-depth examination of the development of forensic accounting.

The findings of this study demonstrate that forensic accounting professionalisation has been significantly influenced by the accounting profession's subjective perception, where powerful legitimacy and marketing methods have been used to legitimise forensic accounting practise.<sup>93</sup> The accounting profession was able to establish, reinforce, and extend its legitimacy in virtually all practise areas of forensic accounting, thereby establishing itself as the primary provider of forensic accounting services. The study concludes that governmental regulation, the technological revolution, globalisation, and the economic slump all played a role in the accounting profession achieving this position. Additionally, the study discovers that intra-professional competition has a significant impact on the dynamics of the forensic accounting practise. Together with the relative lack of regulating standards within the forensic accounting practise, this competition revealed a new kind of professionalisation in which the main four accounting firms played a significant role in market regulation. This last issue is critical for policymakers and standard setters to understand.

In a similar work on Organisational Intention to Use Forensic Accounting Services in Detecting and Preventing Fraud: The Case of English Local Authorities.<sup>94</sup> The purpose of this study is to determine the prevalence of forensic accounting services and the factors that influence the intention to use them to detect and prevent fraud in English local governments.<sup>94</sup> A validated

instrument was used to conduct a survey of Chief Executive Officers, Directors of Finance, and internal auditors in all 353 local authorities in England. The underlying theoretical framework is constructed using concepts from institutional theory, specifically institutional isomorphism.<sup>94</sup> The findings imply that forensic accounting services have a role to play in local government's anti-fraud efforts. Additionally, it was discovered that both coercive and mimetic pressures had an effect on the inclination to employ forensic accounting services.<sup>94</sup> Additionally, the advantages and costs of forensic accounting services were determined to be related to the strength of in-house anti-fraud resources. This study adds to the body of knowledge in the fields of forensic accounting, fraud and management consulting, as well as institutional theory, by focusing on the use of external resources to combat fraud, notably in the UK public sector. By defining and assessing the scope of forensic accounting, this study can educate the roles and tactics of central government, local governments, professional organisations, and forensic accounting providers in terms of enhancing local government counter fraud operations. Due to the self-administered nature of this study, future studies could undertake interviews to elicit further reasons and interpretations, in addition to including more participants from regulators and forensic accounting services.

In another study on The Forensic Accountants' Skills and Ethics on Fraud Prevention in the Nigerian Public Sector.<sup>95</sup> The study investigates the required skills and ethics of the forensic accountant in preventing fraudulent practices in the Nigerian public sector. The primary source of data was utilized for data collection. Using the simple random sampling (SRS), a total of 300 questionnaires were administered; 163 were retrieved. The data obtained was analyzed using SmartPLS - for measurement and structural model. One of the major findings revealed that skills requirement was significant predictor of fraud prevention as well as ethics requirement. This

means that the higher the skills and ethics of the forensic accountant, the better is the fraud prevention. It is thus, recommended that forensic accounting services should be made statutory in the Nigerian public sector to help in preventing fraudulent practices. Hence the need to create awareness and expand the application of forensic accounting services in Nigerian public sector.

In a work titled “Quality Standards Enforcement Mechanisms And The Forensic Accounting Profession In Nigeria”<sup>96</sup> This is a baseline study aiming to elicit empirical evidence regarding the current state of the forensic accounting profession in Nigeria, as well as the profession's level of conformity with the International Quality Assurance Accreditation Standards (IQAAS). It is an assessment of the level to which quality standards enforcement mechanisms (QSEM) exist in the Nigerian profession. The study gathered data from both primary and secondary sources. The major data source was a series of questionnaires designed to be completed by Nigerian forensic accounting practitioners.<sup>96</sup> Secondary data were gathered from the official websites and records of the country's accounting regulators. Descriptive statistics were used to analyse the data obtained from 161 respondents; and hypotheses were tested with t-test and regression analysis (at  $\alpha = 0.05$ ). A Compliance Index was created to assess the profession's compliance with the IQAAS in Nigeria. The findings indicated a considerable disconnect between the state of the forensic accounting profession in Nigeria and the IQAAS criteria. The study discovered that the profession is predicated on a lack of robust QSEM to assure compliance with the IQAAS; it also revealed a dearth of statutory regulating institutions, an enabling legal framework, and standardised coordination, training, certification, and accreditation requirements.<sup>96</sup> Additionally, the study discovered an acute shortage of trained professionals in practise; many present practitioners lack the necessary abilities to perform effectively in their field of expertise. Additionally, the study indicated that Nigerian institutions have made a little contribution to the

discipline's development, owing primarily to a lack of competent academics and infrastructure. These limitations have contributed to the profession's low quality of service delivery, casting doubt on its probative usefulness.<sup>96</sup> Thus, it is argued that the profession in Nigeria has not had the anticipated influence on the fight against economic and financial crimes; and that without QSEM in place in the country, the forensic accounting profession will remain a fruitless armour against economic and financial crimes. As a result, the study recommends that the Nigerian Federal Government and relevant bodies establish forensic regulatory institutions such as the National Institute of Forensics (NIF); the Nigerian Academy of Forensics (NAF); the Certified Institute of Forensic Accountants of Nigeria (CIFAN); and the Nigerian Association of Professional Forensic Accountants (NAPFAC) as a matter of priority (NAPFA). These entities, in collaboration with the judiciary and the National Universities Commission (NUC), will guarantee that the forensic accounting profession in Nigeria is founded on best practises and adheres to the IQAAS criteria. Nigerian institutions, in partnership with relevant professional organisations, should continue to focus on the development of academic programmes in forensic accounting at all levels.<sup>96</sup>

Furthermore, in a related study on the Effect Of Forensic Accounting On Fraud Detection In The Nigerian Deposit Money Banks.<sup>97</sup> The purpose of this study is to determine the influence of forensic accounting on the identification of fraud in Nigerian deposit money institutions. The study employs *ex post facto* and survey research methodologies. Primary and secondary sources of data were consulted. Secondary data analysis was performed using the Ordinary Least Square (OLS) regression technique, which needed the correction of autocorrelation by Generalized Least Square regression.<sup>97</sup> Additionally, a bootstrap estimation approach was used to corroborate the regression results based on the tested assumptions. We analysed primary data using one-way

ANOVA. The findings from the bootstrapping estimation method clearly indicate that an increase in the engagement of forensic accountants, the acquisition of forensic litigation support skills by qualified accountants, and the acquisition of forensic investigation skills by non-qualified accountants has significantly reduced the incidence of fraud in Nigeria's deposit money banks.<sup>97</sup> Additionally, the results indicate that forensic accounting expert assistance has had little influence on fraud detection in deposit money banks. Additionally, while forensic accounting professional certification greatly aids in fraud detection by meeting requirements such as body of knowledge, ethical code of conduct, and public interest protection, it falls short of achieving the control of entry requirement. As a result, the study recommends, among other policy options, increased awareness campaigns by professional organisations to educate bank regulatory authorities about the importance of consistent use of forensic accounting services, increased training and retraining of professional accountants on the importance of forensic litigation support engagement and forensic investigative mentality in bank fraud cases, and the need to minimise forensic expert consultancy expenditure.

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## **Chapter Three**

### **Methodology**

This chapter presents a detailed discussion of various steps that was undertaken in order to derive the desired objectives of the study. This chapter covered these areas: Research design, Population of the study, Sample and sampling technique, Research instrument, Validation of instrument, Reliability of instrument, Administration of instrument and Method of data analysis.

#### **3.1 Research Design**

The research design that was adopted for this study is a survey design which was done purposely to make sample selection of respondent from whom the necessary data for this study would be obtained. Hence, by this type of design generalization of the findings is expected to be done at the end of the study.

#### **3.2 Population of the Study**

The population for the study consist of five (5) Deposit Money Banks (First Bank, UBA, GTBank, Polaris Bank and Wema Bank) operating in Ibadan North local government. The elements of the population consist of 4 key officials in each bank, namely the Head of operations, Resident internal control officials, Fund transfer officials and Cash officials. The total number of the entire officials was 20.

#### **3.3 Sample and Sampling Technique**

In numerical terms, a sample is a representative portion of or subset of the population from which data for analysis are taken. The researcher selected five commercial banks operational within the local government using a convenient sample technique. Convenience sampling entails the researcher selecting respondents who are "convenient" to him or her. There is no particular pattern in the acquisition of these respondents<sup>1</sup>.

### **3.4 Research Instrument**

The study's data collection instrument was questionnaire, which is a closed-ended question. The closed-ended questions presented responders with a list of options. A systematic questionnaire with closed-ended questions was utilised to collect data from the target group. The questionnaire was divided into five sections, section A was focused on the demographic information of the respondents, the second section (section B) contained questions pertaining to knowledge of forensic accounting used for Fraud Prevention in selected deposit money banks in Nigeria, the third section (Section C) focused on the impact of forensic accounting techniques on Fraud Prevention, section D contain questions pertaining to influence of internal control system on fraud prevention, finally section E contained questions on fraud prevention practices. The sections was structured using Likert four-point rating scale. The questionnaire will contain four point; Strongly Agree (SA), Agree (A), Disagree (D), Strongly Disagree (SD).

### **3.5 Validity of the Instrument**

The validity of an instrument is a confirmation that the instrument measures what it was developed to measure, and is in line with the variables in the study. The validity of the researcher instrument is what ascertains that the research instrument measures what it intends to measure and that the outcomes from the investigation conducted in the study could be trusted. To ensure internal validity of the research instruments, a pilot study was conducted to test the reliability of the research instrument.

The instrument which is the questionnaire for this study was validated by researchers supervisor and other lecturers in the Department of Management and Accounting Faculty of Environment, Management and Social Sciences, Lead City University. After which a clean copy of the instrument was prepared for validation.

### 3.6 Reliability of the Instrument

The instrument's reliability refers to the instrument's capacity to produce consistent results when administered repeatedly. It ensures that the research instrument measures what it is intended to measure and that the study's findings can be believed. To confirm the research instruments' internal validity, a pilot study was undertaken to determine the instrument's reliability. The questionnaire was subjected to a test using Cronbach alpha 0.70 coefficient. The instrument is said to be reliable if the Cronbach's Alpha reliability coefficient is greater or equal to 0.70 (Reliability  $\geq$  0.70).

A Cronbach's Alpha result of 0.963 (see Appendix II) was gotten from the entire questionnaire. It served as the reliability coefficient level of all constructs used in this study to measure the independent and dependent variables. Sixteen (16) items were subjected to reliability test. All the items were jointly reliable (0.963). Also, knowledge of forensic accounting was tested, four (4) items were subjected to reliability test. All the items were reliable (0.921). Impact of forensic accounting techniques on fraud prevention was also tested, four (4) items were subjected to reliability test in this section. All the items were jointly reliable (0.957).

Influence of internal control system on fraud prevention was tested; four (4) items were subjected to reliability test. All the items were reliable (0.950). Fraud prevention practices was tested, all the items were jointly reliable at 0.940. The result suggested that the items that make up of each indicator used in measuring the variables in the study was highly reliable.

**Table 3.1 Reliability Statistics**

<b>Section</b>	<b>No of Items</b>	<b>Cronbach's Alpha Coefficient</b>
Knowledge of Forensic Accounting	4	.921
Impact of Forensic Accounting Techniques	4	.957
Influence of Internal Control System	4	.950
Fraud Prevention Practices	4	.940
Overall reliability coefficient value	16	0.963

**Source: SPSS Computation 23.0**

### **3.7 Administration of Research Instrument and Method of Data Collection**

The questionnaires was be self-distributed to the respondents and collected by the researcher after filling. The set of distributed questionnaires were collected two (2) days after it had been administered. This is to avoid possible loss, abandonment, non-retrievable copy and delayed submission of the instrument. Effort was made to clarify any term misconstrued or not clear to the respondent.

### **3.8 Method of Data Analysis**

The data collected by the researcher was quantified then analyzed statistically using descriptive statistics and inferential statistics. The researcher also used descriptive method in discussing the data analysed for better understanding. All these will be achieved with the aid of SPSS version

### 3.9 Model specification

A model specification explains the relationship between variable that was hypothesized and estimates of the parameter values that are used to develop equation. For this study, the independent variables are forensic accounting techniques and internal control system while the dependent variable is Fraud Prevention

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + e$$

Where:

Y = Fraud Prevention (Dependent Variable)

X<sub>1</sub> = Forensic Accounting Techniques (Independent Variable)

X<sub>2</sub> = Internal Control (Independent Variable)

β<sub>0</sub> = Intercept of the Model

β<sub>1</sub> and β<sub>2</sub> = Co-efficient of the independent variables

e = error term

## Endnotes

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## Chapter Four

### Result and Discussion of Findings

#### 4.0 Introduction

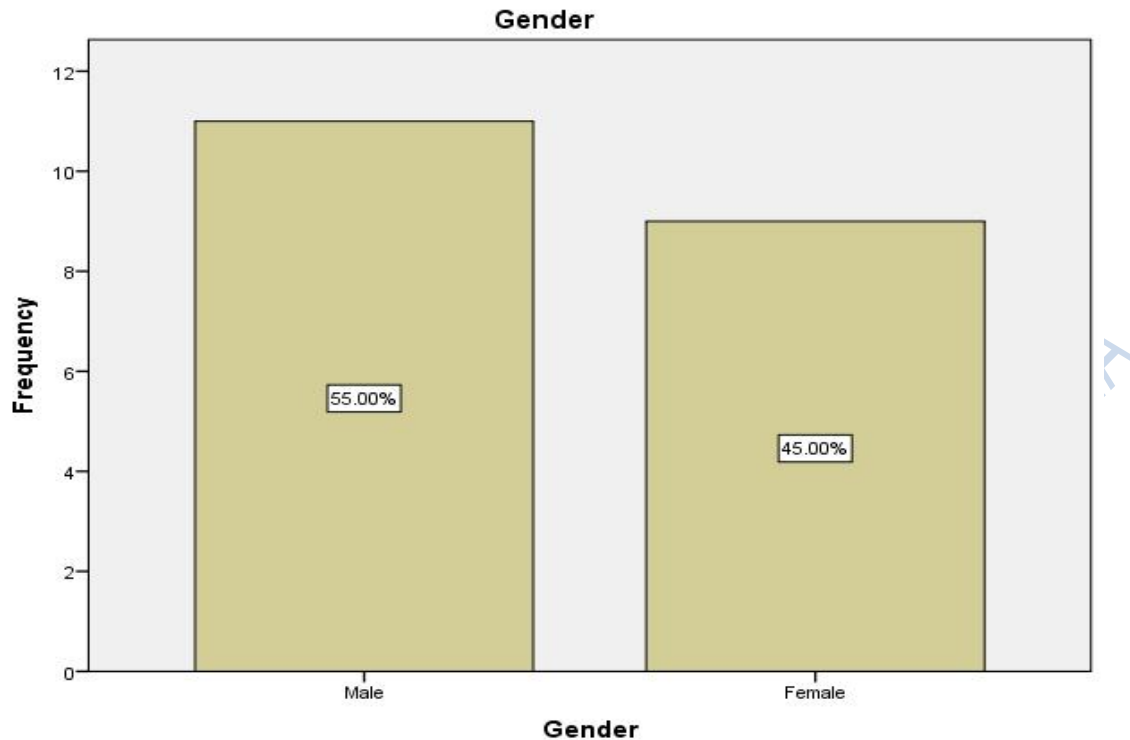
This chapter discusses the presentation and analysis of data collected from the various respondents through the use of questionnaire. The researcher sampled a total of 20 respondents, all questionnaires were completed and returned and the analysis was based on these returned copies which indicates a response rate of 100% from the respondents. The Statistical Package for Social Science (SPSS) was used to analyse the copies of questionnaire valid for the study. The analyzed questions were also presented in the study.

#### 4.1 Demographic Data Analysis

**Table 4.1: Gender of Respondents (N=20)**

	Frequency	Percent
Valid <b>Male</b>	11	55.0
<b>Female</b>	9	45.0
<b>Total</b>	<b>20</b>	<b>100.0</b>

**Source: Researcher's Fieldwork (2022)**



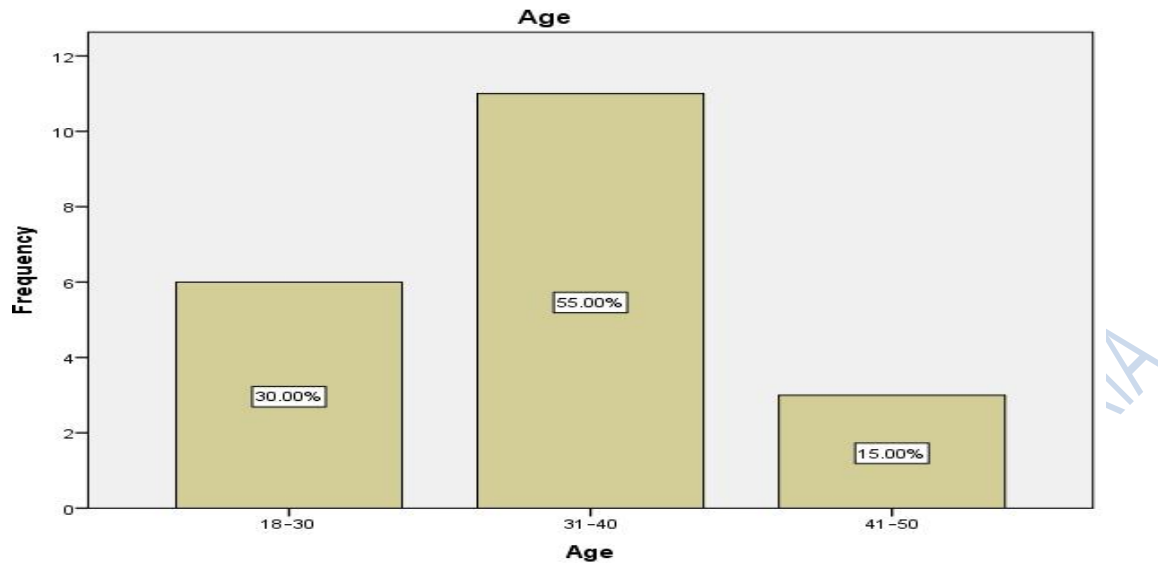
**Figure 4.1: Gender of Respondents**  
**Source: SPSS Computation 23.0**

From the above Table 4.1 and figure 4.1, 55% (11) of the respondents are male, while 45% (9) of the respondents are female. This shows that, majority of the respondents are Male.

**Table 4.2: Age of Respondents (N=20)**

	Frequency	Percent
Valid 18–30	6	30.0
31–40	11	55.0
41–50	3	15.0
50 and Above	0	0
<b>Total</b>	<b>20</b>	<b>100.0</b>

**Source: Researcher’s Fieldwork (2022)**



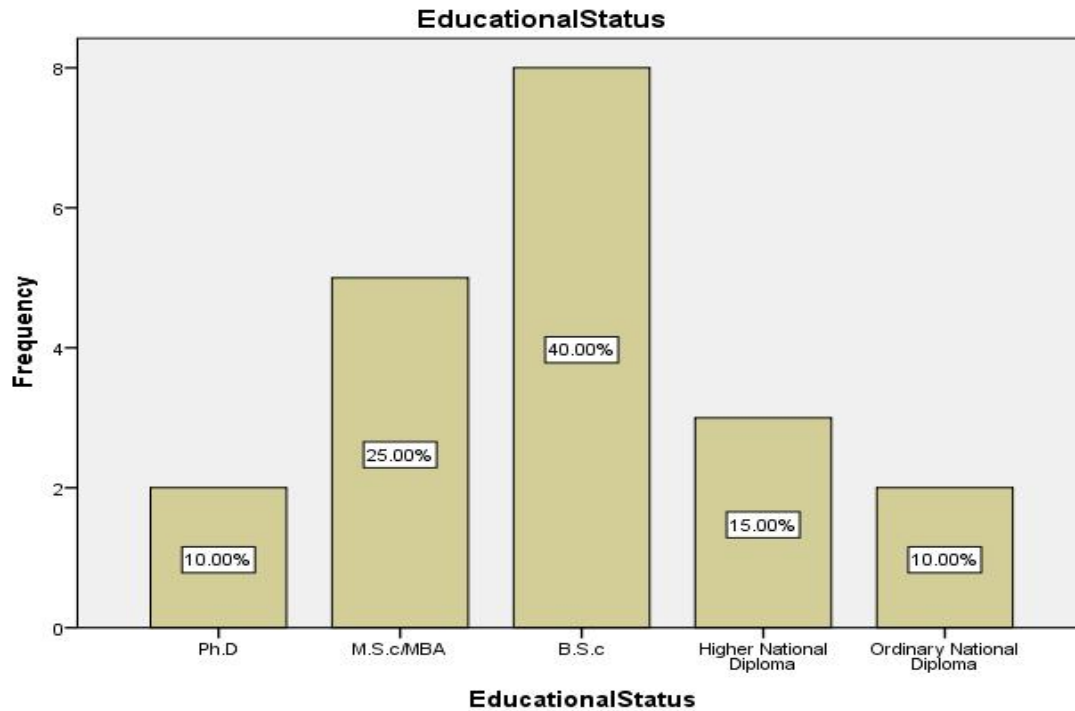
**Figure 4.2: Age of Respondents**  
**Source: SPSS Computation 23.0**

Data from the above table 4.2 revealed that 30% (6) of the respondents were within the age range of 18 and 30 years, 55% (11) of the respondents were between 31 and 40 years, 15% (3) of the respondents were between the age range of 41 and 50 while none of the respondents were 50 years and above. This shows that, those that fall within the age range of 31 and 40 years are more in this study.

**Table 4.3: Educational Status of Respondents (N=20)**

	Frequency	Percent
Valid Ph.D	2	10.0
M.S.c/MBA	5	25.0
B.S.c	8	40.0
Higher National Diploma	3	15.0
Ordinary National Diploma	2	10.0
<b>Total</b>	<b>20</b>	<b>100.0</b>

**Source: Researcher's Fieldwork (2022)**



**Figure 4.3: Educational Status of Respondents**

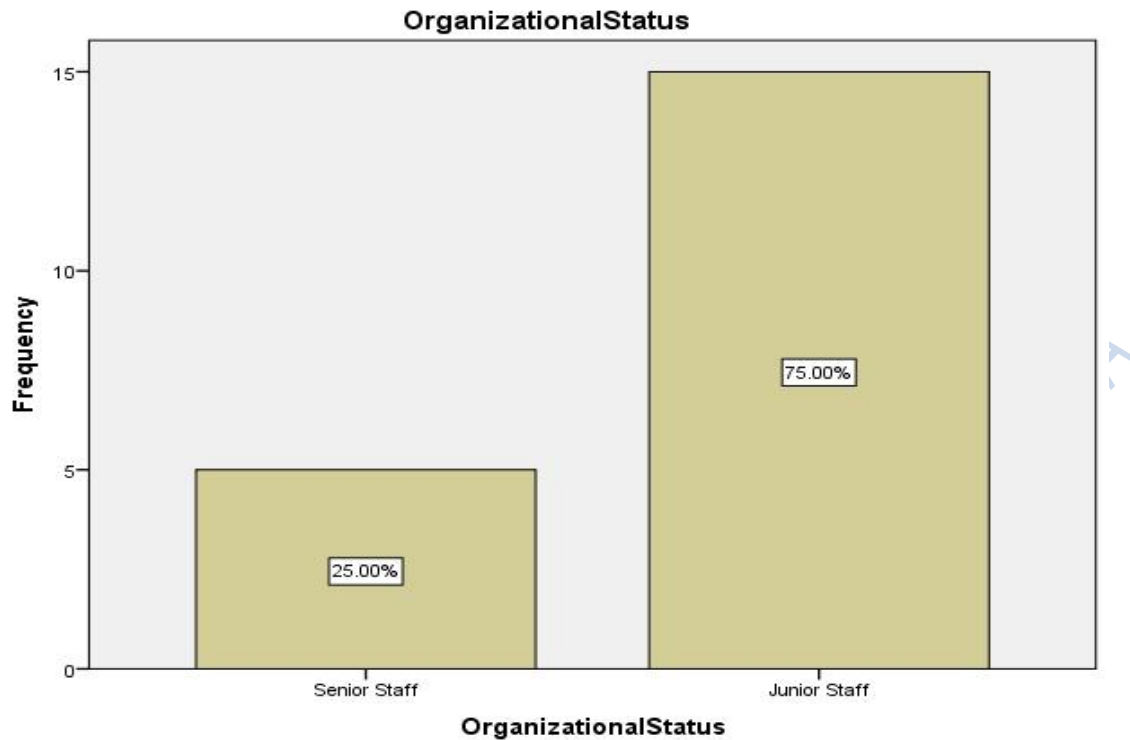
Source: SPSS Computation 23.0

From Table and figure 4.3, 10% (2) of the respondents have Ph.D degree, 25% (5) of the respondents have M.Sc/MBA degree, 40% (8) of the respondents are Bachelor degree holders, 15% (3) of the respondents have HND certificates and 10% (2) of the respondents have OND. This shows that Bachelor degree holders are more in this study.

**Table 4.4: Organization Status Respondents (N=20)**

	Frequency	Percent
Valid Junior Staff	15	75.0
Senior Staff	5	25.0
<b>Total</b>	<b>20</b>	<b>100.0</b>

Source: Researcher's Fieldwork (2022)



**Figure 4.4: Educational Status of Respondents**

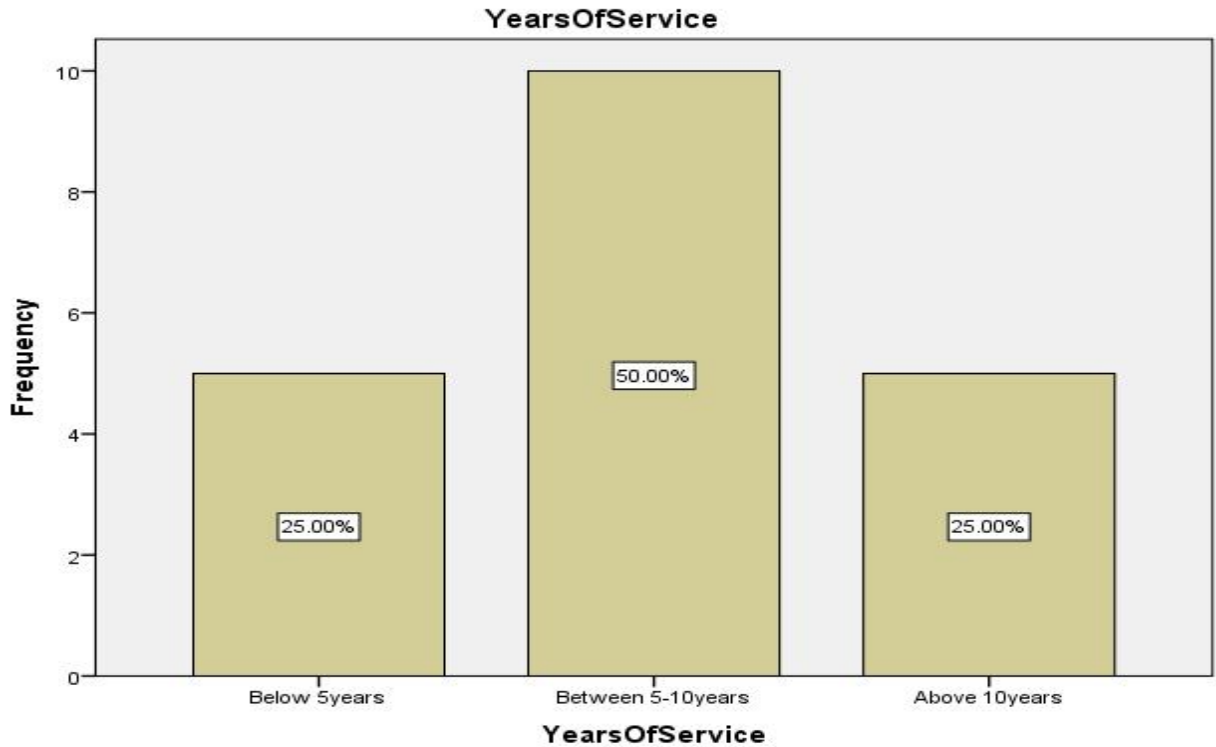
Source: SPSS Computation 23.0

From Table and figure 4.4, 25% (5) respondents are senior staff, while 75% (15) of the respondents are junior staff. This implies that junior staff are more in the study.

**Table 4.5: Years of Service of Respondents (N=20)**

	Frequency	Percent
Valid Below 5years	5	25.0
Between 5-10years	10	50.0
Above 10years	5	25.0
<b>Total</b>	<b>20</b>	<b>100.0</b>

Source: Researcher’s Fieldwork (2022)



**Figure 4.5: Years of Service of Respondents**

**Source: SPSS Computation 23.0**

Data from Table 4.5 and figure 4.5 shows that 25% (5) of the respondents have used below 5 years working in the banking sector, 50% (10) of the respondents have used between 5 and 10 years, while 25% (5) have used above 10 years. This implies that majority of the respondents have worked in the banking sector between 5 and 10 years.

## 4.2 Presentation of Data

### 4.2.1 Analysis of Research Questions.

**Research Question One:** What are the major forensic accounting techniques used for Fraud Prevention in selected deposit money banks in Nigeria?

**Table 4.6: Knowledge of Forensic Accounting Techniques**

S/N	Statement	SA (%)	A (%)	D (%)	SD (%)	Mean	Std.D
1	I am aware of forensic accounting and Technique used for fraud detection..	9 (45)	11 (55)	0 (0)	0 (0)	3.55	0.51
2	Investigation of fraud enhances the detection of frauds in my company	3 (15)	10 (50)	7 (35)	0 (0)	2.35	0.75
3	The mission and role of forensic accounting Technique are well defined in my organization.	14 (70)	6 (30)	0 (0)	0 (0)	3.30	0.47
4	Forensic accounting skills help my company in reporting and detecting fraud.	9 (45)	8 (40)	3 (15)	5 (25)	3.30	0.73

**Key: Strongly Agree (SA), Agree (A), Disagree (D), Strongly Disagree (SD), Mean (M), Standard Deviation (Std.D)**

**Source: Researcher's Fieldwork (2022)**

Data from Table 4.6 shows that 45% (9) respondent strongly agreed that they are aware of forensic accounting and Technique used for fraud detection, 55% (11) respondents agreed, while none of the respondents disagreed or strongly disagreed. Also, 15% (3) respondent strongly agreed that investigation of fraud enhances the detection of frauds in their company, 50% (10) respondents agreed, 35% (7) respondents disagreed, while none of the respondent strongly

disagreed. Further, 70% (14) respondents strongly agreed that the mission and role of forensic accounting technique are well defined in their organization, 30% (6) respondents agreed. None of the respondents disagreed or strongly disagreed. Similarly, 45% (9) respondents strongly agreed that forensic accounting skills their company in reporting and detecting fraud, 40% (8) respondents agreed, 15% (3) respondents disagreed, while 25% (5) respondents strongly disagreed.

This therefore implies that majority of the the respondents have a good knowledge about forensic accounting used for fraud prevention in selected deposit money banks in Nigeria.

**Research Question Two:** To what extent is the impact of forensic accounting techniques on Fraud Prevention in selected deposit money banks in Nigeria?

**Table 4.7: Impact of Forensic Accounting Techniques on Fraud Prevention**

S/N	Statement	SA (%)	A (%)	D (%)	SD (%)	Mean	Std.D
1	Forensic accounting technique improves management performance	11 (55)	7 (35)	2 (10)	0 (0)	3.45	0.69
2	Forensic accounting activities and skills have a positive effect on banking performance	3 (15)	13 (65)	4 (20)	0 (0)	2.95	0.60
3	Forensic accounting technique enhances fraud detection	6 (30)	11 (55)	3 (15)	0 (0)	2.85	0.67
4	Forensic accounting and internal control system has a positive effect on turnover in the banking.	6 (30)	13 (65)	1 (5)	0 (0)	3.15	0.67
5	Forensic accounting has positive effect on internal auditing	0 (0)	13 (65)	4 (20)	3 (15)	2.50	0.76

**Key: Strongly Agree (SA), Agree (A), Disagree (D), Strongly Disagree (SD), Mean (M), Standard Deviation (Std.D)**

**Source: Researcher's Fieldwork (2022)**

Table 4.7 shows that 55% (11) respondents strongly agreed that forensic accounting technique improves management performance, 35% (7) respondents agreed, 10% (2) respondents disagreed, while none of the respondents strongly disagreed. Moreover, 15% (3) respondents strongly agreed that forensic accounting activities and skills have a positive effect on banking performance, 65% (13) respondents agreed, 20% (4) respondents disagreed, while none of the respondents strongly disagreed. Further, 30% (6) of the respondents strongly agreed that forensic accounting technique enhances fraud detection, 55% (11) agreed, 15% (3) respondents disagreed and none of the respondents strongly disagreed. Also, on the statement “forensic accounting and internal control system has a positive effect on turnover in the banking” 30% (6) of the respondents strongly agreed, 65% (13) respondents agreed, 5% (1) respondent disagreed and none of the respondents strongly disagreed. Similarly, 65% (13) respondents agreed that forensic accounting has positive effect on internal auditing, 20% (4) respondents disagreed, 15% (3) respondents strongly disagreed while none of the respondent strongly agreed.

Taking the cumulative sum of all the responses of the respondents and getting a percentage of each entry, it can be deduced that 26% of the respondent strongly agreed, 57% of the respondents agreed, 14% of the respondents disagreed and 3% of the respondents strongly disagreed to the statement on impact of forensic accounting techniques on fraud prevention. This implies that majority of the respondents (83%) agreed that forensic accounting have a good positive impact on fraud detection.

**Research Question Three:** Is there any influence of internal control system on Fraud Prevention in selected deposit money banks in Nigeria?

**Table 4.8: Influence of Internal Control System on Fraud Prevention****Key: Strongly Agree (SA), Agree (A), Disagree (D), Strongly Disagree (SD), Mean (M), Standard Deviation (Std.D)**

S/N	Statement	SA (%)	A (%)	D (%)	SD (%)	Mean	Std.D
1	I think Internal control (internal audit and internal check) system enhances fraud detection	5 (25)	75 (15)	0 (0)	0 (0)	3.70	0.47
2	I think Internal control system have a positive effect on banking and management performance.	3 (15)	11 (55)	3 (15)	3 (15)	3.20	0.70
3	I think Internal control system has a positive effect on turnover in the banking.	3 (15)	15 (75)	2 (10)	0 (0)	3.20	0.52
4	I think Internal there is a control system, forensic accounting and fraud detection	5 (25)	15 (75)	0 (0)	0 (0)	3.30	0.47

**Source: Researcher's Fieldwork (2022)**

Also, data from Table 4.8 shows that 25% (5) respondents strongly agreed to the statement “ I think Internal control (internal audit and internal check) system enhances fraud detection”, 75% (15) respondents agreed. None of the respondents disagreed or strongly disagreed. Further 15% (3) respondent strongly agreed to the statement “I think Internal control system have a positive effect on banking and management performance”, 55% (11) respondents agreed, 15% (3) respondents disagreed and strongly disagreed respectively. Similarly, 15% (3) respondents strongly agreed that “I think Internal control system has a positive effect on turnover in the banking”, 75% (15) respondents agreed, 10% (2) respondents disagreed, none of the respondent strongly disagreed. Also, 25% (5) respondents strongly agreed that “I think Internal there is a control system, forensic accounting and fraud detection”, while 75% (15) of the respondents agreed. None of the respondent disagreed or strongly disagreed.

Taking also the cumulative sum of all the responses of the respondents and getting a percentage of each entry, it can be deduced that 20% of the respondent strongly agreed, 70% of the respondents agreed, 6.25% of the respondents disagreed and 3.75% of the respondents strongly disagreed to the statement on impact of forensic accounting techniques on fraud prevention. This implies that majority of the respondents (90%) agreed that Internal Control System has a positive influence on Fraud Prevention.

**Research Question Four:** What are the challenges facing forensic accounting techniques, internal control system and Fraud Prevention in selected deposit money banks in Nigeria?

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**Table 4.9: Fraud Prevention Practices**

S/N	Statement	SA (%)	A (%)	D (%)	SD (%)	Mean	Std.D
1	I think anti corruption practices in the Management can lead to Fraud Prevention in the deposit banks	14 (70)	6 (30)	0 (0)	0 (0)	3.25	0.44
2	I think organizations policies and procedures can influence forensic accounting techniques, internal control system and Fraud Prevention	7 (35)	10 (50)	3 (15)	0 (0)	2.70	0.92
3	I think proper remuneration of employee is a major can reduce corrupt practices hence leading to to fraud prevention	5 (25)	14 (70)	1 (50)	0 (0)	3.05	0.51
4	Good and efficient forensic accounting skills and internal audit will affect forensic accounting techniques, internal control system and lead to better Fraud Prevention	6 (30)	14 (75)	0 (0)	0 (0)	3.25	0.44

**Key: Strongly Agree (SA), Agree (A), Disagree (D), Strongly Disagree (SD), Key: Strongly Agree (SA), Agree (A), Disagree (D), Strongly Disagree (SD), Mean (M), Standard Deviation (Std.D)**

**Source: Researcher's Fieldwork (2022)**

Data for Table 4.9 shows that 70% (14) strongly agreed anti corruption practices in the management can lead to fraud prevention in the deposit banks, 30% (6) respondents agreed, none of the respondents disagreed or strongly disagreed. Also, 35% (10) respondents strongly agreed that organizations policies and procedures can influence forensic accounting techniques, internal control system and fraud prevention, 50% (10) respondents agreed, 15% (3) respondents disagreed while none of the respondents strongly disagreed. Further, 25% (5) respondents strongly agreed that proper remuneration of employee can reduce corrupt practices hence leading to to fraud prevention, 70% (14) respondents agreed, 5% (1) respondent disagreed, while none

of the respondents strongly disagreed. Finally, 30% (6) respondents strongly agreed that good and efficient forensic accounting skills and internal audit will affect forensic accounting techniques, internal control system and lead to better fraud prevention, 75% (14) respondents agreed, while none of the respondents disagree or strongly disagree.

From the foregoing, it can be deduced that 40% of the respondent strongly agreed, 55% of the respondents agreed, 5% of the respondents disagreed and none of the respondents strongly disagreed to the statement on fraud prevention practices. This implies that majority of the respondents (95%) agreed to the statements on fraud prevention practices.

### 4.3 Hypothesis Testing

H<sub>0</sub><sup>1</sup>– There is no significant relationship between forensic accounting techniques and Fraud Prevention in selected deposit money banks in Nigeria.

**Table 4.10: Relationship Between Forensic Accounting Techniques and Fraud Prevention In Selected Deposit Money Banks In Nigeria**

		<b>Correlations</b>	
		<b>Forensic_Accounting_Technique</b>	<b>Fraud_Prevention</b>
<b>Forensic Accounting Knowledge</b>	Pearson Correlation	1	.320**
	Sig. (2-tailed)		.000
	N	20	20
<b>Fraud Prevention</b>	Pearson Correlation	.320**	1
	Sig. (2-tailed)	.000	
	N	20	20

**\*\*.** Correlation is significant at the 0.01 level (2-tailed).

**Source: SPSS Computation 23.0**

To investigate the correlation between forensic accounting knowledge and Fraud Prevention in selected deposit money banks in Nigeria, Pearson Correlation was used with a two-tailed test of

significance at  $P < 0.01$  level. Also, forensic accounting knowledge correlates with fraud prevention at 0.320. The (\*\*) means that Correlation is significant at the  $p < 0.01$  level (2-tailed). Correlation coefficient are always between -1 and +1 meaning perfect negative and perfect positive respectively. This answered the research hypothesis, there is a significant relationship between forensic accounting knowledge and Fraud Prevention in selected deposit money banks in Nigeria. Hence, we reject the hypothesis  $H_{01}$ —There is no significant relationship between forensic accounting techniques and Fraud Prevention in selected deposit money banks in Nigeria.

**Table 4.11: Relationship Between Internal Control System and Fraud Prevention In Selected Deposit Money Banks In Nigeria**

		Correlations	
		Fraud_Prevention	Internal_Control
<b>Fraud Prevention</b>	Pearson Correlation	1	.612**
	Sig. (2-tailed)		.004
	N	20	20
<b>Internal Control</b>	Pearson Correlation	.612**	1
	Sig. (2-tailed)	.004	
	N	20	20

**\*\* . Correlation is significant at the 0.01 level (2-tailed).**

**Source: SPSS Computation 23.0**

$H_{02}$ — There is no significant relationship between internal control system and Fraud Prevention in selected deposit money banks in Nigeria.

Also, to investigate the correlation between internal control system and Fraud Prevention in selected deposit money banks in Nigeria, Pearson Correlation was also used with a two-tailed test of significance at  $P < 0.01$  level. Table 4.11 shows that Internal control system correlates with fraud prevention at 0.612 which is a perfect positive correlation. This answered the research

hypothesis, there is a significant relationship between Internal control system and Fraud Prevention in selected deposit money banks in Nigeria. Hence, we reject the hypothesis H<sub>02</sub>– There is no significant relationship between internal control system and Fraud Prevention in selected deposit money banks in Nigeria

H<sub>03</sub>– There is no combined relationship between forensic accounting techniques, internal control system and Fraud Prevention in selected deposit money banks in Nigeria.

To access the combined relationship between forensic accounting techniques, internal control system and Fraud Prevention in selected deposit money banks in Nigeria, The multiple regression analysis was used and the major focus is to ascertain the effect of the independent variables on the dependent variables.

**Table 4.12: Summary of Multiple Regression Test of Significance between Forensic Accounting Techniques, Internal Control System and Fraud Prevention In Selected Deposit Money Banks In Nigeria**

<b>Variables</b>	<b>Co-efficient</b>	<b>Standard Error</b>	<b>t-statistics</b>	<b>P-value</b>
Constant	16.678	2.350	7.098	.000
Forensic_Accounting_Technique	.121	.133	1.064	.000
Internal_Control	.391	.130	3.003	.000

R square: 0.568  
 No. of Observation:20  
 Adjusted R square: 0.563  
 R: 0.643<sup>a</sup>  
 F-statistics: 5.998

**Source: SPSS computation 23.0**

**Table 4.13**

		ANOVA <sup>a</sup>				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.950	2	3.475	5.998	.011 <sup>b</sup>
	Residual	9.850	17	.579		
	Total	16.800	19			

**a. Dependent Variable: Fraud\_Prevention**  
**b. Predictors: (Constant), Internal\_Control, Forensic\_Accounting\_Technique**  
Source: SPSS computation 23.0

From the multiple analysis results in Table 4.12, forensic accounting technique and internal control has a positive relationship with fraud prevention. In other words, the fraud prevention is positively influenced by forensic accounting technique and internal control.

From the standard error of forensic accounting technique and internal control, it is obvious that 0.133 and 0.130 respectively which is lesser than half of the standard errors numerical value of the parameter estimate. Thus the standard error for forensic accounting technique and internal control as independent variable shows there is a positive relationship between it and fraud prevention (dependent variable). In other words, the null hypothesis should be rejected because the test is statistically significant. Also the t test value are significant for independent variable (forensic accounting technique  $P=0.00$ ), (internal control  $P=0.00$ ) since they satisfy  $P<0.05$ .

From table 4.13, The results above revealed that the level of significance was 0.011 ( $p<0.05$ ) this implies that the regression model is significant in predicting the correlation between forensic accounting technique, internal control and fraud prevention. Also, R Square in figure shows that about 56.8% percent of the total variation of the dependent variable is explained by the independent variables (forensic accounting technique and internal control). Hence it shows the moderately fit of the regression model. Above all, the computed

empirical value of F-test is 5.998 which is significant at  $p=0.00$ . It is therefore concluded that the F-test is statistically significant. The independent variables (forensic accounting technique and internal control) statistically and significantly predict the dependent variable (fraud prevention). Hence, the null hypothesis should be rejected because the test is statistically significant. Therefore, the whole regression is statistically significant.

#### **4.4 Discussion and Findings**

This section discussed the significant findings of this study. Based on this study, forensic accounting techniques, internal control system and fraud prevention in selected deposit money banks in Nigeria have been analyzed. The findings were based on the determinants of which include; knowledge of forensic accounting used for fraud prevention, impact of forensic accounting techniques, influence of internal control system and fraud prevention practices in selected deposit money banks in Nigeria.

Research question one from Table 4.6 shows that the respondents have a good knowledge about forensic accounting used for fraud prevention in selected deposit money banks in Nigeria with majority picking strongly agreed and agreed options of the questionnaire. This study indicated that majority of the respondents are aware of forensic accounting and technique used for fraud detection and investigation of fraud enhances the detection of frauds in my company. Also, majority agreed that mission and role of forensic accounting technique are well defined in their organization and forensic accounting skills help my company in reporting and detecting fraud.

According to the study's findings, majority 87.5% of the respondents had good knowledge of forensic accounting used for fraud prevention in selected deposit money banks while 12.5% respondent had poor knowledge of the same as they disagreed to the statements. Also, the

majority of respondents answered all of the questions correctly, based on their mean score on the knowledge of forensic accounting.

This corroborates the finding in a work on forensic accounting and fraud examination: evidence from bangladesh<sup>1</sup>. The respondents of the four categories (MBA program, department of Accounting and Information Systems of four renowned public universities of Bangladesh), accounting and auditing firms, multinational companies, and local organizations)are aware of forensic accounting.

Further, research question 2 from Table 4.7, shows that majority of the respondents (83%) agreed that forensic accounting have a good positive impact on fraud detection, while 17% disagrees. This is because majority (90%) of the respondents agreed that forensic accounting technique improves management performance, 80% also agreed that that forensic accounting activities and skills have a positive effect on banking performance, 85% agreed that forensic accounting technique enhances fraud detection, 95% of the respondents agreed that forensic accounting and internal control system has a positive effect on turnover in the banking and 85% of the respondents agreed that forensic accounting has positive effect on internal auditing. However, 10%, 20%, 15%, 5% and 15% respectively disagreed to the statements.

This implies that forensic accounting have a good positive impact on fraud detection in selected deposit money banks in Nigeria. This supports the findings that forensic accounting has a significant impact on fraud prevention and detection in Nigerian banking industry<sup>2</sup>. Also, it supports the finding that forensic accounting impacted the detection and prevention of fraud in money deposit banks in Ekiti State<sup>3</sup>.

Moreover, research question 3 from Table 4.8 shows that majority of the respondents (90%) agreed that Internal Control System has a positive influence on fraud prevention. All the respondents agreed that Internal control (internal audit and internal check) system enhances fraud detection, 70% of the respondents also agreed that Internal control system have a positive effect on banking and management performance, 90% agreed that Internal control system has a positive effect on turnover in the banking, while all the respondents agreed that Internal control system, forensic accounting helps the bank in identifying potential fraud and thereby mitigating it.

This therefore implies that internal control system has a good influence on fraud prevention. This corroborates the findings that that there was an effect of the internal control system implementation and good governance on fraud prevention with P-value of  $0.01 < 0.05$  in a study on effect of internal control system implementation in realizing good governance and its impact on fraud prevention<sup>4</sup>. Also, a finding revealed that there was a statistically significant and positive relationship between the adequacy of internal control systems and fraud prevention and detection in district treasuries in Kakamega County<sup>5</sup>.

Additionally, research question four from table 4.9 shows that majority of the respondents (95%) agreed to the statements on fraud prevention practices. Majority of the respondents agreed that anti corruption practices in the management can lead to fraud prevention in the deposit banks, 85% agreed that agreed that organizations policies and procedures can influence forensic accounting techniques, internal control system and fraud prevention, 95% of the respondents agreed that proper remuneration of employee can reduce corrupt practices hence leading to to fraud prevention and 95% of the respondents agreed that good and efficient forensic accounting skills and internal audit will affect forensic accounting techniques, internal control system and

lead to better fraud prevention. However, none, 25% and 5% of the respondents disagreed to the statements respectively.

This therefore implies that fraud prevention practices will greatly reduce fraud in deposit banks and also boost the financial performance of the bank. This also buttress the findings that there exists a positive relationship between fraud risk management practices and financial performance of commercial banks in Kenya. It also found out that preventive and detective fraud risk management practices had a very strong positive (Pearson correlation coefficient of 0.932 and 0.868) influence on financial performance of commercial banks as measured by ROA<sup>6</sup>.

To find the relationship between relationship between forensic accounting techniques and Fraud Prevention in selected deposit money banks in Nigeria, correlation estimate was used. Correlations calculate the degree of the linear relationship between two (and only two) variables. Correlation coefficients range from -1.0 (perfectly negative correlation) to 1.0 (positive correlation). The researcher used Pearson Correlation with a two-tailed test of significance at the  $P < 0.01$  level for this work. The Pearson correlation coefficient, denoted as  $r^2$ , is a measure of the strength of a linear association between two variables.

The higher the correlation, the closer the connection coefficients approach to -1.0 or 1.0. The closer a correlation coefficient approaches zero, the weaker the correlation between two variables. Take note of the diagonal of ones in tables 4.10 and 4.11. These are perfect correlations between the variables. Because the matrix is symmetrical on both sides of the diagonal, all correlations are presented twice. The number of respondents in the samples is 20, p-value for this correlation coefficient is .000. Also, from the table, forensic accounting correlates with fraud prevention in selected deposit money banks at 0.320. Also, internal control system

correlates with fraud prevention in selected deposit money banks at 0.612 which are positive correlations. This means that forensic accounting influences fraud prevention in selected deposit money banks and that this relationships was statistically significant at the .001 level. Also, internal control system has positive effect on fraud prevention in selected deposit money banks and the relationships was astatistically significant at the .001 level. This therefore answered the research hypothesis “There is no significant relationship between forensic accounting and Fraud Prevention in selected deposit money banks in Nigeria” and “There is no significant relationship between internal control system and Fraud Prevention in selected deposit money banks in Nigeria”. Hence, we reject  $H_0^1$  and  $H_0^2$ .

Finally, to find the combined relationship between forensic accounting techniques, internal control system and Fraud Prevention in selected deposit money banks in Nigeria, multiple regression analysis was used, the variables were tested to ascertain if the identified independent variables (forensic accounting and internal control system) have significant effect on the dependent variable (fraud prevention) in selected deposit money banks in Nigeria. The revealed that the level of significance was 0.011 ( $p < 0.05$ ) this implies that the regression model is significant in predicting the correlation between forensic accounting technique, internal control and fraud prevention. Also, R Square shows that about 56.8% percent of the total variation of the dependent variable is explained by the independent variables (forensic accounting technique and internal control). Hence it shows the moderately fit of the regression model. The computed empirical value of F-test is 5.998 which is significant at  $p = 0.00$ . It is therefore concluded that the F-test is statistically significant.

With the test, it was discovered that the identified forensic accounting and internal control system has substantial effects on fraud prevention. This in turn help generate profits from

services provided, meets monetary responsibilities of staff, thereby growing the bank, attaining its financial objectives, increased Return on investment (ROI), growing Return on asset (ROA) and increased Profit margin

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## Endnotes

- <sup>1</sup>M. Sarker, *Forensic Accounting and Fraud Examination: Evidence from Bangladesh*, **International Journal of Science and Business**, 4(9), 2020, 138-144.
- <sup>2</sup>O. Oyebisi; O. Wisdom; O. Olusogo & O. Ifeoluwa, *Forensic Accounting and Fraud Prevention and Detection in Nigerian Banking Industry*, **COJ Reviews & Research**, 1(1), 2018, 1-8.
- <sup>3</sup>F.O. Oladipupo & C.A. Omolola, *Forensic Accounting as a Tool for Fraud Prevention and Detection in Deposit Money Banks in Nigeria*, **British International Journal of Education and Social Sciences**, 6(5), 2019;.
- <sup>4</sup>T. Taufik, *The Effect of Internal Control System Implementation in Realizing Good Governance and its Impact on Fraud Prevention*, **International Journal of Scientific and Technology Research**, 8(9), 2019, 2159-2165.
- <sup>5</sup>O.N. Joseph; O. Albert, & J. Byaruhanga, *Effect of Internal Control on Fraud Detection and Prevention in District Treasuries of Kakamega County*, **International Journal of Business and Management Invention**, 4(1), 2015, 47-57.
- <sup>6</sup>R.O. Ohando, *Relationship Between Fraud Risk Management Practices and Financial Performance of Commercial Banks in Kenya*, **PhD diss., University of Nairobi**, 2015.

## **Chapter Five**

### **Conclusion**

#### **5.1. Summary of Findings**

This study examined the influence of forensic accounting techniques, internal control system and Fraud Prevention in selected deposit money banks in Nigeria. From the findings of this study, there is a significant relationship between forensic accounting and Fraud Prevention in selected deposit money banks in Nigeria, there is also a significant relationship between internal control system and Fraud Prevention in selected deposit money banks in Nigeria and there exists combined relationship between forensic accounting techniques, internal control system and Fraud Prevention in selected deposit money banks in Nigeria. Also, from this study, the level of awareness of respondents showed many of them are aware and had a good knowledge of forensic accounting.

Moreover, the on extent is the impact of forensic accounting techniques on fraud prevention in selected deposit money banks in Nigeria. The study showed that majority of the respondents opined that forensic accounting had a positive impact on fraud prevention. Also, the study revealed that internal control system had a great influence on Fraud Prevention in selected deposit money banks in Nigeria and finally, the study identified different fraud prevention practice in selected deposit money banks in Nigeria.

#### **5.2. Conclusion**

The study examined the impact of forensic accounting techniques, internal control system and Fraud Prevention in selected deposit money banks in Ibadan, Oyo State, Nigeria. Based on the findings, it can be concluded that

- i. Forensic accounting and internal control could serve as a tool to prevent fraud in deposit money banks in Ibadan, Oyo State;
- ii. Forensic accounting and internal control could help to detect fraud in deposit money banks in Ibadan, Oyo State.
- iii. There exists a combined relationship between forensic accounting techniques, internal control system and Fraud Prevention in selected deposit money banks in Nigeria

### **5.3. Recommendations**

On the basis of the findings, the following recommendations were made:

- i. Forensic accounting should be welcomed by all and sundry in money deposit banks in Ibadan, Oyo State.
- ii. In the same vein, staffs, ranging from head of operations, fund transfer officer, resident internal control officials, and cash officials, should attend conferences and seminars within and outside the country on the applicability of forensic accounting skills and techniques to prevent fraud and detect whenever it is perpetrated.
- iii. The Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices and other related offenses Commission (ICPC) should encourage the implementation of forensic accounting.
- iv. Where prosecution is needed, proper forensic accounting mechanism should be put in place to gather all available evidence surrounding any fraud. The professional bodies should as well include forensic accounting in their professional examination.

#### **5.4 Contribution to Knowledge**

This study provided more and better clarifications on useful concepts and constructs of the study. They include forensic accounting, fraud detection, fraud prevention and internal control. The findings of this study can serve as a theory for future researchers in Oyo state and other part of the nation. The study will help to advance theory by showing whether or not forensic accountants' services are universally applicable in the banking sector, and it will serve as a foundation for future researchers and academics interested in studying the roles and effectiveness of forensic accountants in service delivery. Empirically, this study adds to prior literatures by showing that there is a significant relationship between forensic accounting and Fraud Prevention in selected deposit money banks in Nigeria, there is also a significant relationship between internal control system and Fraud Prevention in selected deposit money banks in Nigeria and there exists combined relationship between forensic accounting techniques, internal control system and Fraud Prevention in selected deposit money banks in Nigeria.

#### **5.5 Suggestions for Further Research**

The following are the suggestions for further research:

- i. Research should be conducted to see whether the current findings apply to other types of environments. For instance, public sector.
- ii. Research should also be conducted to assess the knowledge, attitude and influence of forensic accounting and internal control on fraud detection and prevention in the banking sector
- iii. Further research should also be conducted on the effect of forensic accounting and internal control on organizational (public and private) performance and effectiveness.

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## Appendices

### Appendix I

#### LEAD CITY UNIVERSITY, IBADAN

#### DEPARTMENT OF MANAGEMENT AND ACCOUNTING

#### FACULTY OF ENVIRONMENT, MANAGEMENT AND SOCIAL SCIENCES

Dear Respondent,

I am a postgraduate student of the department of Management and Accounting. I am carrying out a research on the Forensic Accounting Techniques, Internal Control System and Fraud Prevention In Selected Deposit Money Banks In Nigeria. I would be grateful if you could create a spare time in your schedule in completing a copy of the questionnaire on the research topic. All information supplied will be highly appreciated and kept in strict confidentiality.

Thank you so much for your cooperation.

**Adewuyi, Ayotomiwa Isaac**

INSTRUCTIONS: Please tick (✓) wherever is applicable among the options and fill spaces where necessary.

#### **Section A. Demographic Data**

1. **Gender:** a) Male b) Female
2. **Age:** a) Between 18–30 b) Between 31–40 c) Between 41–50
3. **Educational Status:** a) Ph.D b) M.S.c/MBA c) B.S.c d) Higher national diploma e) Ordinary national diploma f) Others
4. **Organizational status:** a) Senior staff b) Junior staff

5. Years of service in the current company a) Below 5years b) Between 5-10years c) Above 10years

**Section B: Listed below are different statements about Knowledge on forensic accounting and Internal control system. Please use the following scale: 1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, 5=Strongly agree.**

S/N	Statement on Forensic Accounting Techniques	1	2	3	4	5
1	I am aware of forensic accounting and Technique used for fraud detection..					
2	Investigation of fraud enhances the detection of frauds in my company					
3	The mission and role of forensic accounting Technique are well defined in my organization.					
4	Forensic accounting skills help my company in reporting and detecting fraud.					

**Section C: Listed below are different statements about Impact of forensic accounting techniques on Fraud Prevention. Please use the following scale: 1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, 5=Strongly agree.**

S/N	Statement	1	2	3	4	5
1	Forensic accounting technique improves management performance					
2	Forensic accounting activities and skills have a positive effect on banking performance					
3	Forensic accounting technique enhances fraud detection					
4	Forensic accounting and internal control system has a positive effect on turnover in the banking.					
5	Forensic accounting has positive effect on internal auditing					

**Section D: Listed below are different statements about Influence of Internal Control System on Fraud Prevention. Please use the following scale: 1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, 5=Strongly agree.**

S/N	Statement	1	2	3	4	5
1	I think Internal control (internal audit and internal check) system enhances fraud detection					
2	I think Internal control system have a positive effect on banking and management performance.					
3	I think Internal control system has a positive effect on turnover in the banking.					
4	I think Internal there is a control system, forensic accounting and fraud detection					

**Section E: Listed below are different statements about Fraud Prevention Practices. Please use the following scale: 1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, 5=Strongly agree.**

S/N	Statement	1	2	3	4	5
1	I think anti corruption practices in the Management can lead to Fraud Prevention in the deposit banks					
2	I think organizations policies and procedures can influence forensic accounting techniques, internal control system and Fraud Prevention					
3	I think proper remuneration of employee is a major can reduce corrupt practices hence leading to to fraud prevention					

4	Good and efficient forensic accounting skills and internal audit will affect forensic accounting techniques, internal control system and lead to better Fraud Prevention					
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**Appendix II**

**Reliability Statistics**

**Scale: ALL VARIABLES**

**Case Processing Summary**

		N	%
Cases	Valid	20	100.0
	Excluded <sup>a</sup>	0	.0
	Total	20	100.0

a. List wise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.963	16

**Reliability**

**Scale: ALL VARIABLES**

### Case Processing Summary

		N	%
Cases	Valid	20	100.0
	Excluded <sup>a</sup>	0	.0
	Total	20	100.0

a. List wise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	N of Items
.921	4

### Reliability

Scale: ALL VARIABLES

### Case Processing Summary

		N	%
Cases	Valid	20	100.0
	Excluded <sup>a</sup>	0	.0
	Total	20	100.0

a. List wise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	N of Items

.957	4
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**Reliability**

**Scale: ALL VARIABLES**

**Case Processing Summary**

		N	%
Cases	Valid	20	100.0
	Excluded <sup>a</sup>	0	.0
	Total	20	100.0

- a. List wise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.950	4

**Reliability**

**Scale: ALL VARIABLES**

**Case Processing Summary**

		N	%

Cases	Valid	20	100.0
	Excluded <sup>a</sup>	0	.0
	Total	20	100.0

- b. List wise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	N of Items
.940	4

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### Appendix III

#### Statistics

		Gender	Age	Educational Status	Organizational Status	Years Of Service
N	Valid	20	20	20	20	20
	Missing	0	0	0	0	0

### Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	11	55.0	55.0	55.0
Female	9	45.0	45.0	100.0
Total	20	100.0	100.0	

### Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18-30	6	30.0	30.0	30.0
31-40	11	55.0	55.0	85.0
41-50	3	15.0	15.0	100.0
Total	20	100.0	100.0	

### Educational Status

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Ph.D	2	10.0	10.0	10.0
M.S.c/MBA	5	25.0	25.0	35.0
B.S.c	8	40.0	40.0	75.0

Higher National Diploma	3	15.0	15.0	90.0
Ordinary National Diploma	2	10.0	10.0	100.0
Total	20	100.0	100.0	

### Years Of Service

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Below 5years	5	25.0	25.0	25.0
Between 5-10years	10	50.0	50.0	75.0
Above 10years	5	25.0	25.0	100.0
Total	20	100.0	100.0	

### Organizational Status

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Senior Staff	5	25.0	25.0	25.0
Junior Staff	15	75.0	75.0	100.0
Total	20	100.0	100.0	

**Statistics**

		I am aware of forensic accounting and Technique used for fraud detection.	Investigation of fraud enhances the detection of frauds in my company	The mission and role of forensic accounting Technique are well defined in my organization	Forensic accounting skills help my company in reporting and detecting fraud.
N	Valid	20	20	20	20
	Missing	0	0	0	0
Mean		3.5500	2.3500	3.3000	3.3000
Std. Deviation		.51042	.74516	.47016	.73270

**I am aware of forensic accounting and Technique used for fraud detection.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid agree	9	45.0	45.0	45.0
strongly agree	11	55.0	55.0	100.0
Total	20	100.0	100.0	

**Investigation of fraud enhances the detection of frauds in my company**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	3	15.0	15.0	15.0
disagree	7	35.0	35.0	50.0
agree	10	50.0	50.0	100.0
Total	20	100.0	100.0	

**The mission and role of forensic accounting Technique are well defined in my organization**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid agree	14	70.0	70.0	70.0
strongly agree	6	30.0	30.0	100.0
Total	20	100.0	100.0	

**Forensic accounting skills help my company in reporting and detecting fraud.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid disagree	3	15.0	15.0	15.0
agree	8	40.0	40.0	55.0

strongly agree	9	45.0	45.0	100.0
Total	20	100.0	100.0	

### Statistics

		Forensic accounting technique improves management performance.	Forensic accounting activities and skills have a positive effect on banking performance	Forensic accounting technique enhances fraud detection	Forensic accounting and internal control system has a positive effect on turnover in the banking	forensic accounting has positive effect internal auditing
N	Valid	20	20	20	20	20
	Missing	0	0	0	0	0
Mean		3.4500	2.9500	2.8500	3.1500	2.5000
Std. Deviation		.68633	.60481	.67082	.67082	.76089

### Forensic accounting technique improves management performance.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid disagree	2	10.0	10.0	10.0
agree	7	35.0	35.0	45.0

strongly agree	11	55.0	55.0	100.0
Total	20	100.0	100.0	

**Forensic accounting activities and skills have a positive effect on banking performance**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid disagree	4	20.0	20.0	20.0
agree	13	65.0	65.0	85.0
strongly agree	3	15.0	15.0	100.0
Total	20	100.0	100.0	

**Forensic accounting technique enhances fraud detection**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid disagree	6	30.0	30.0	30.0
agree	11	55.0	55.0	85.0
strongly agree	3	15.0	15.0	100.0
Total	20	100.0	100.0	

**Forensic accounting and internal control system has a positive effect on turnover in the banking**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid disagree	1	5.0	5.0	5.0

agree	13	65.0	65.0	70.0
strongly agree	6	30.0	30.0	100.0
Total	20	100.0	100.0	

**Forensic accounting has positive effect internal auditing**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	3	15.0	15.0	15.0
disagree	4	20.0	20.0	35.0
agree	13	65.0	65.0	100.0
Total	20	100.0	100.0	

**Statistics**

	I think Internal control (internal audit and internal check) system enhances fraud detection	I think Internal control system have a positive effect on banking and management performance	I think Internal control system has a positive effect on turnover in the banking.	I think Internal there is a control system, forensic accounting and fraud detection
N Valid	20	20	20	20

Missing	0	0	0	0
Mean	3.2500	2.7000	3.0500	3.2500
Std. Deviation	.44426	.92338	.51042	.44426

**I think Internal control (internal audit and internal check) system enhances fraud detection**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid agree	15	75.0	75.0	75.0
strongly agree	5	25.0	25.0	100.0
Total	20	100.0	100.0	

**I think Internal control system have a positive effect on banking and management performance**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	3	15.0	15.0	15.0
disagree	3	15.0	15.0	30.0
agree	11	55.0	55.0	85.0
strongly agree	3	15.0	15.0	100.0
Total	20	100.0	100.0	

**I think Internal control system has a positive effect on turnover in the**

**banking.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid disagree	2	10.0	10.0	10.0
agree	15	75.0	75.0	85.0
strongly agree	3	15.0	15.0	100.0
Total	20	100.0	100.0	

**I think Internal there is a control system, forensic accounting and fraud detection**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid agree	15	75.0	75.0	75.0
strongly agree	5	25.0	25.0	100.0
Total	20	100.0	100.0	

**Statistics**

	I think anti corruption practices in the Management can lead to Fraud Prevention in the deposit bank	I think organizations policies and procedures can influence forensic accounting techniques, internal control system and Fraud	I think proper remuneration of employee is a major can reduce corrupt practices hence leading to to fraud prevention	Good and efficient forensic accounting skills and internal audit will affect forensic accounting techniques, internal
--	------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------

		Prevention		control system and lead to better Fraud Prevention
N	Valid	20	20	20
	Missing	0	0	0
Mean		3.7000	3.2000	3.3000
Std. Deviation		.47016	.69585	.47016

**I think anti corruption practices in the Management can lead to Fraud Prevention in the deposit bank**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid agree	6	30.0	30.0	30.0
strongly agree	14	70.0	70.0	100.0
Total	20	100.0	100.0	

**I think organizations policies and procedures can influence forensic accounting techniques, internal control system and Fraud Prevention**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid disagree	3	15.0	15.0	15.0
agree	10	50.0	50.0	65.0
strongly agree	7	35.0	35.0	100.0

Total	20	100.0	100.0
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**I think proper remuneration of employee is a major can reduce corrupt practices hence leading to to fraud prevention**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid disagree	1	5.0	5.0	5.0
agree	14	70.0	70.0	75.0
strongly agree	5	25.0	25.0	100.0
Total	20	100.0	100.0	

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**Good and efficient forensic accounting skills and internal audit will affect forensic accounting techniques, internal control system and lead to better Fraud Prevention**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid agree	14	70.0	70.0	70.0
strongly agree	6	30.0	30.0	100.0
Total	20	100.0	100.0	

### Correlations

		Forensic_Acc ounting_Tech nique	Fraud_Preven tion
Forensic_Accounting_Te chnique	Pearson Correlation	1	.320**
	Sig. (2-tailed)		.169
	N	20	20
Fraud_Prevention	Pearson Correlation	.320**	1
	Sig. (2-tailed)	.169	
	N	20	20

\*\* . Correlation is significant at the 0.01 level (2-tailed).

### Correlations

		Fraud_Preven tion	Internal_Cont rol
Fraud_Prevention	Pearson Correlation	1	.612**
	Sig. (2-tailed)		.004
	N	20	20
Internal_Control	Pearson Correlation	.612**	1
	Sig. (2-tailed)	.004	
	N	20	20

\*\* . Correlation is significant at the 0.01 level (2-tailed).

### Variables Entered/Removed<sup>a</sup>

Model	Variables Entered	Variables Removed	Method

1	Internal_Control, Forensic_Accounting_Technique <sup>b</sup>		. Enter
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a. Dependent Variable: Fraud\_Prevention

b. All requested variables entered.

#### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.950	2	3.475	5.998	.011 <sup>b</sup>
	Residual	9.850	17	.579		
	Total	16.800	19			

a. Dependent Variable: Fraud\_Prevention

b. Predictors: (Constant), Internal\_Control, Forensic\_Accounting\_Technique

#### Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
1 (Constant)	16.678	2.350		7.09	.00	11.72	21.63

Forensic_Accounting_Technique	.121	.113	.202	1.064	.302	-.119	.360
Internal_Control	.391	.130	.570	3.003	.008	.665	.116

a. Dependent Variable: Fraud\_Prevention

### Bio-data

#### A. Personal Data

**Full Name:** Ayotomiwa Isaac Adewuyi  
**Address:** No. 9, Oremeji Street, Imalefalafia, Ibadan  
**E-mail Address:** isaacgb2@gmail.com  
**Phone No:** 08107503151  
**Date and Place of Birth:** 02-11-1995 and Ondo State, Nigeria.  
**Nationality:** Nigerian  
**Name and Address of Next of Kin:** Adewuyi Mary  
**Address:** No. 4, Olasope Dada Crescent, Oke Ijebu, Akure, Ondo State.

#### B. Educational Background

##### 1. Educational Institutions Attended with Dates and Qualifications:

- i. **Primary Education**  
Bishop Huges Memorial School, Akure  
First School Leaving Certificate  
2005
- ii. **Secondary Education**  
Idris Premier College, Akure  
2011
- iii. **Higher Educational Institution**  
University of Abuja, Abuja  
2017

#### C. Working Experience with Dates: Nil

**D. Awards and Fellowships (if any): Nil**

**E. Publications (if any): Nil**

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**Signature**

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**Date**

**University Compliance Certificate**

This is to certify that the thesis by Ayotomiwa Isaac ADEWUYI in the Department of Management and Accounting, Faculty of Management and Social Sciences, Lead City University, Ibadan is in full compliance with the approved University Format and Style.

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**Signature**

**Date**

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