

Impact of Forensic Accounting on Fraud Management: An Examination of Some Selected Deposit Money Banks in Nigeria

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ABSTRACT

This study examined the impact of forensic accounting on fraud management, a study of selected deposit money banks in Nigeria. The study used a survey research design and a five-point Likert scale to collect data used for the analysis of the research work. Regression Analysis and Analysis of (Variance (ANOVA) were used to analyze the data collected. The results revealed that forensic accounting has positive and significant impact on fraud prevention, fraud detection and fraud reduction in deposits money banks in Nigeria. The study has contributed to knowledge as follows: It would save the bank the heavy losses they experience due to fraud. It will serve as a policy statement to guide regulatory authorities. Researchers would also find the study very useful. The study therefore recommended that regulatory authorities in the financial industry should make it a policy and a requirement for all banks in Nigeria to have a forensic unit or department. The banks should invest in updated technology to curb fraud. Fraudulent bank staff should be prosecuted and forensic experts should be hired to provide litigation support to ensure that they are prosecuted. This would serve as a deterrence to others to desist from fraudulent acts.

Keywords: Forensic Accounting, Fraud Management, Fraud Prevention, Fraud Detection.

INTRODUCTION

Forensic accounting has emerged as a result of fraud in both private and public offices in recent times. Oyedoku (2020), noted that conventional auditing has not been able to meet up with the expectations of the public and the management in this area. This is because after the normal annual audit, fraud still exists which eventually leads to the collapse of the entire structure of a business entity. This is a worrisome situation and this called for the need for a solution, hence the need for forensic accounting knowledge and application. Emmanuel, Deborah and Ogochukw (2022), explained forensic accounting as the use of accounting, auditing and investigative skills to uncover hidden frauds in an organization. The forensic accounting exercise is conducted on the financials of the entire organization. The word forensic means evidence admissible in a court of law. The forensic accountant/ auditor is expected to render litigation support in the law court where necessary.

Olukowade and Balogun (2015), stated that with an increase in fraudulent activities in the country and all over the world today, forensic accounting has become an emergency tool and of great significance both in the academics and other sectors of the economy of any nation of which Nigeria banking sector is not exclusive. Suleiman and Othman (2021), defined forensic auditing as the multilateral practice of utilizing accounting, auditing, and investigative skills to assist illegal matters in order to provide litigation support to the judges in the law court. The forensic auditor provides forensic evidence that enables the Judges to arrive at evidence to ensure offenders do not pervade judgment and their cases are not struck out for lack of evidence which makes them go free from being punished for their fraudulent lifestyles. Where this

continues, it breeds fraud and thwarts government efforts to fight fraud and corruption. These problems would make this study to discuss this paper under three objectives. To ascertain the impact of forensic accounting on fraud prevention in money deposit banks in Nigeria. To examine the impact of forensic accounting on fraud detection in money deposit banks in Nigeria. To identify the impact of forensic accounting in fraud reduction in the money deposit banks in Nigeria.

The provision of litigation support by a forensic auditor is a panacea to this problem in the fight against fraud. Ibrahim and Yusuf (2019), stated further that forensic audit is focused on identification, communication and interpretation of evidence of underlying strategic economy and reporting of events. It is not used to produce any report that an audit opinion is given. No broad guidelines are applied to accounting investigators without using rules-based audit approaches. Obiora, Onuora and Manafa (2021), noted that forensic accounting has been put as solution to the ever-increasing and persistent rising cases of fraud, corruption, and other financial crimes in offices which the banking sector has been a victim due to the nature of their services.

Forensic auditing is an aspect of forensic accounting that applies auditing, accounting and investigative skills to situations that have legal consequences. It is further explained as the examination of an organization affairs in a report designed especially for use in a court of law. Onyedokun (2015), stated that forensic accounting is the umbrella that covers fraud investigation, accounting investigation and forensic audit. He stated further that forensic audit is applied in the following areas besides fraud detection, conducting due diligence, business valuation, management auditing, and assessing loss before settling insurance claims. Eze and Okoye (2019), opined that forensic audit is an audit of values while forensic accounting is accounting for values. Its application by financial institutions like banks has tremendously reduced fraud occurrence in their operations which has improved their performances today. This is because with the application of forensic audit and accounting, fraudsters are detected ahead and such plans are prevented. Where fraud has been committed, it's detected with forensic analytical tools which saves the banks from future damages and its consequences.

Abdulrahman (2017), noted in his paper that application of forensic accounting techniques is a panacea to fraud reduction in Nigeria. The use of forensic accounting services by banks has reduced their exposure to fraudulent risks and better their corporate existence. He stated further that forensic accounting services in Nigeria have yielded positive dividends. Its application should be increased by many organizations and sectors most especially the banking sector which is always the target of fraudsters. Blessing (2015), opined that forensic accounting is a strong fraud detection tool. Its application would prevent the occurrences of fraud in the banking sector of any economy to a large extent. Blessing (2015), stated that forensic Accountants/Auditors should be willing to appear as expert witnesses in the law court to provide litigation support services for cases of fraud discovered by them during their field audit investigation assignment so that offenders would be prosecuted. It is on record that fraud has been a major challenge to the whole world. It takes place in any economy both developing and developed. It is likened to a cancer that destroys the body cells as fast as possible and eventually kills the person. Bashir and Augustine (2019), argued that the volume of banking fraud in Nigeria has reached an alarming rate. Several scholars like Okoye and Akambi (2009), and Izedomin and Mgbame (2011), have all acknowledged the same in their different studies on the high rising rates of bank fraud in Nigeria and they agreed that fraud has become a normal way of life. Fraud takes place in private and public organisations and the banking sector is not exceptional. The banking sector is the place where public funds are deposited in trust. The public expects fairness, transparency, and effective intermediation with other banks. It is a place of trust. But today, fraud has taken over the banks, this led to the liquidation of such banks and investors lost their funds, and the loss of jobs by those who are employed in that sector because of fraud. The banks have been trying their various methods of fraud prevention, detection and reduction strategies all to no avail. In the same vein, deposit money banks have not fully explored the services of forensic experts in their bid to prevent and detect fraud in their operations.

The provision of litigation support to the court for fraud-related cases that deal with banks and their directors has not been effectively harnessed. This is missing. This is what has motivated me to this study. The research has also been prompted by the economic downturn that emanated from frequent cases of banking fraud which has led to the liquidation of many banks, the laying off of bank staff, loss of investors' confidence and other stakeholders' trust in the sector. The bank's annual reports of 2021, recorded that Access Bank Plc lost N126.7 million, Zenith Bank Plc lost N360 million, all to fraud. United Bank for Africa Plc and First Bank also suffered from one form of fraud to another. This is worrisome. It has destroyed the image of Nigeria internationally. This is uncalled for. These are the challenges that this paper wants to address to proffer possible solutions by using the services of forensic accounting experts to prevent fraud and sanitize the banking sector. This will attract both local and foreign investors to invest in them. According to Adebisi and Gbegi (2015), fraud and corruption weaken the institutional capacity of governments and organizations as well as impede trade and investment. When trade and investments are impeded, it results in no growth at all, but rather decline and death. Apart from this, there is no sufficient literature in these areas especially in developing nations like Nigeria; hence the motivation behind this study.

LITERATURE REVIEW

Conceptual Review

Uniamikogbo, Adeusi, Amos and Amu (2019), defined Forensic accounting as the application of scientific knowledge to legal problems or suitable to a court of law. It further means belonging to or suitable to the court of jurisdiction of public discussions and debate. Enofe (2015), defined Forensic accounting as a professional service that involves the use of identification of red flags, an adaptation of investigative auditing, criminology, litigation services and financial skills to uncover fraud. They state that the upsurge of fraud and corruption in businesses today has led to an increase in demand for forensic experts and their services worldwide. They stated that the use of forensic services would go a long way to reduce and prevent fraud in the banking sector. They therefore opined that financial institutions should embrace the services of forensic experts in their bid to tackle fraud in their sector. They opined further that its application in the banking sector would yield greater dividends which would enhance their performances and attract foreign investors to invest in our banks in Nigeria.

Olaoye, Dada and Adebayo (2014), stated that forensic accounting emerged as a result of high spikes in crime, corruption and other fraudulent practices in organizations today of which the banking sector is one of them. They defined forensic accounting as a panacea for fraudulent practices. They argued that fraud is planned, meditated and committed by man. This is to prove the axiom "that the heart of man is deceitful above all things and is desperately wicked". Fraud is more committed through the banks. They opined that more money is stolen more with the use of a pen than with any other means through the banking sector. We have theft of inventory assets, misuse of expense accounts, and cases of secret accounts where government funds are lodged and secretly withdrawn through the bank. They defined fraud as deceit, trickery, sharp practices or breach of confidence perpetrated for profit or to gain dishonest advantage. The Association of Certified Fraud Examiners defined fraud as "any illegal acts characterized with concealment or violation of trust". This is to state that fraud is a violation of trust and confidence that has been repose on either the individual, or a group or corporate entity. The use of forensic accounting services as a solution to fraud is the best thing for the banking sector to do as they have recommended in their research paper.

Onyedokun (2020), defined forensic accounting as a specialized field of accounting that investigates fraud and conducts financial analysis which produces financial information to be used in legal proceedings. Forensic accounting is very important in the fraud management of any entity. It takes the role of minimizing, preventing and detecting fraud that may take place or the ones that are intended to happen. He opined that forensic accountants or auditors are trained to combat fraud and other financial crimes. He

explained further, that the auditor uses accounting, auditing and investigative skills to conduct investigations into theft and fraud. Ekechukwu Ugwu and Mba (2018), explained forensic accounting as a merger of criminological science and accounting. They stated that forensic accounting is the discovery of misrepresentation done in secret and providing report as a proof in the official courtroom if need be. This is to state categorically that forensic accounting is a field of specialization that needs to do with the organization of data, that is intended to be utilized as proof for right purposes. They stated that forensic investigation and forensic litigation are very significant in defining the performance of commercial banks. This is because when fraud is prevented, the banks' resources that would have been stolen by fraudsters would be intact, contributing to the overall objective/goals of such banks. The use of forensic accounting information, transparency and honesty will improve the banking sector. Banks are to adopt new technological changes and structures. They argued that the use of forensic accounting/audit in the banking sector has a significant effect on their retained earnings and dividend per share of Nigerian banks.

Fraud Management.

Fraud management is the planning and management of how fraud can be eliminated in an organization. It involves mapping out the right strategies, organizing them and executing them to manage fraud. It is divided into fraud prevention and fraud detection. Fraud prevention is putting in place all the necessary instruments/measure that would prevent fraud occurrence in a setting. Fraud detection is the use of the right instruments/ tools to uncover all frauds both hidden and unhidden ones that have taken place. Here comes in the solution to fraud, forensic accounting. It provides the needed panacea to mitigate the challenges posed by fraud to the banking sector of our economy Idachaba and Usman (2020).

Fraud Prevention

This is the strategy put in place to prevent the occurrence of fraud in an organization. This is to state that fraud prevention strategies are put in place before the attempt of the fraud. It could also be called a fraud shield. These strategies shield the entities from falling into fraud if eventually fraudsters attempt to commit such fraud against the company. Enofe, Onobun, and Onyeokweni (2015), defined fraud prevention as the implementation of plans in order not to allow fraud to take place in a setting. The Prevention comes first before the attempt of fraud. Examples are when we lock our doors for unauthorized access to intruders, and when we word our computer systems, and our emails, our files to prevent others from having access to them. This prevent them from having information that they would have used to commit fraud against the organization.

Fraud Detection

Fraud detection is a strategy used to discover fraud in an entity. It is made up of various techniques employed by forensic experts to uncover fraud. Here fraud has occurred and management is interested in uncovering, identifying and mitigating it to stop its future occurrence. Olukayode (2018) stated that data mining techniques are one of the methods used in fraud detection that forensic experts use. They argued that data mining techniques and financial statements data are a good combination for fraud detection. The comparison of Ratio analysis is another example of fraud detection techniques.

Fraud Reduction

Fraud reduction is the implementation of measures that lower the rate of fraudulent activities in an entity. Here the fraud still exists but the rate at which it is committed is curtailed. The introduction of internal checks and reconciliations is an example of fraud reduction strategies management uses to reduce fraud occurrences in their establishment. Agbaje and Adeniran (2017) defined fraud reduction as the controls put in place to minimize the occurrences of fraud in an entity. The controls put in place are to minimize the

costs of the errors or irregularities that may happen. Their findings revealed that forensic accounting services reduce fraud in the banking sector.

Fraud

The term fraud has been defined by several scholars and writers, fraud is ‘deceit, trickery, breach of confidence committed for profit or to gain dishonest advantage by the perpetrator. Olaoye, Dada and Adebayo, (2014), defined fraud as an intentional change of records to gain undue advantages by the perpetrator. Fraud is criminal conduct. It involves the use of dishonest/deceitful means to gain an unjust advantage over others. The cost of fraud today is worrisome and a concern to professionals both in finance and beyond. Forensic accounting provides the needed succor and ensures that trust and confidence reposed in our banking sector are regained. The government with its regularity arms via the Central Bank of Nigeria has been making frantic efforts to stem fraud all to no avail. Inayoa and Isi to (2016) stated that fraud is a global phenomenon that existed many centuries ago. It distorts businesses and eventually leads them into collapse and liquidation. It is a monster that must be dealt with urgently by those in authority in any organization or setting.

Theoretical Review

White Collar Crime Theory

White-collar crime is a crime committed by a person in the course of his duty. Edwin S. (1939) propounded this theory. The empirical evidence indicated that these crimes are committed by high-positioned officers in their offices. This type of crime is committed by a person of high caliber. It is a crime committed illegally by an officer during his job. When a prosecutor collects a bribe from a suspect to suspend or drop his or her criminal charges. That is white collar-crime. If a pharmacist steals drugs from the store and sells same to people to make money for himself, he has committed a white-collar crime. This theory relates to this study because bank officers use their positions to commit financial fraud. Where banking employe est especially at higher levels will use their influence to direct the granting of credit to an entity or persons whom they know fully well that they would not be able to pay back the credit for gratification. They may also have access to certain information which the bank staff passes across to fraudsters who use same to steal or perfect fraudulent activities in the banks. The high wave of this type of crime makes it imperative to equip forensic accountants or auditors with the necessary skills to enable them to detect such crimes and handle them accordingly.

Fraud triangle Theory

According to Ozili (2015), the fraud triangle is one of the theories in fraud studies. This is a theory that was propounded by Cressey (1953). This theory was developed to explain the causes of fraud. Three factors makes people to commit fraud. These factors are pressure, opportunity and rationalization. He stated that the first factor emanated from personal needs, social needs, economic needs and family needs. When these needs are mounted on the person and he or she cannot provide them, the thought of going into fraud to raise money to attend these needs becomes the way out. The person will go into fraud to raise funds and pay for the needs fraudulently. He stated further, that the use of an incentive increases the likelihood of managers and their sections manipulating their results to enhance their output to qualify them to gain the incentive in the organization. Here we have the concern that the use of managerial discretion can be abused and tantamount to fraudulent practices which is inimical to the objective of the entire entity Mia (2019). The second factor is opportunity in the fraud triangle diagram. This states that people commit more fraud when they have the opportunity than when they do not. Here, in an organization, where there are no internal controls or weak internal controls, the company has created opportunities for fraud to breed up and take

place. In the accountancy profession, it is called weak internal control system.

Nagiah, Hussin, Faith and Shatinaz (2021), explained the fraud triangle theory as the three factors that motivate people to commit fraud. Forensic accountants/auditors must understudy this, identify same by using appropriate tools and advise the organization on what to do to have strong internal control systems which would close up the chances or opportunities that will give room for fraudulent practices to thrive. Part of the solution is to ensure that there is separation of duties among the staff, there should be reconciliation of transactions, confirmation of cheques and others. Rationalization is the last phase of the factors in the fraud triangle diagram. Here this theory states that people commit fraud for reasons best known to them. They go ahead and justify their actions by saying that they are not well compensated for working hard all these years. The fraudster finds a way of not feeling bad for their actions but rather justifies the same.



Fraud triangle diagram (Cressy 1950& 1953)

These three factors exist in an individual before fraud can take place, organizations are to study these factors critically and ensure that the right things are done in order not to allow them to manifest, and affect their staff to behave in an unethical manner.

Empirical Review

Godwin (2022) investigated on determinants of forensic accounting techniques and theories. His studies concluded that there is need for stakeholders to engage the services of forensic accountants to strengthen the internal control system. Companies should train their staff on the dynamism of financial crimes, Kolawole, Salman, Durodola, and Babatunde Igbekoyi (2018) noted that forensic experts in their practices, should use techniques that suit the type of assignments they are called upon to investigate upon. Suleiman and Othman (2021), explored how forensic accounting can be conducted to aid the government in fighting corruption. Their results concluded that the judges and lawyers are the causes of frustrations why forensic reports are not used to fight corruption in Nigeria.

Olayode, Dada, and Adebayo (2014) researched the analysis of fraud in the banking sector. They concluded that frauds can be discovered by many sources. These are from employees, internal auditors, vendors and others. They stated that where fraud is discovered, the audit committee must be notified immediately of the discoveries, so that actions can be taken. Fraud occurs because of breaches in internal control measures. Such breaches must be repaired to prevent its future occurrences. They stated that it's important that all the necessary documents needed to prosecute the offenders in a court of law must be preserved. Obiora, Onuora and Manafa (2021), concluded that the use of forensic accounting services goes a long way to dictate such fraud and future occurrences. Banks are to watch the printing of their approvals and stationeries such as the carving of bank rubber stamps, and seals. This is because forged letters and stamp seal documents are used by fraudsters to defraud the banks Oladejo and Oluwaseun (2015). The banks are to employ those with ethical values attached to their lifestyle. They are the people to be retained in their control units. They must

be tested and trusted. The bank should have special passwords for the reactivation of dormant accounts with huge sums of money. It should be passed several committees for scrutiny, clearance and all necessary approvals to ensure that it's the right people that is re-activating the said account to prevent fraudulent activities on the account which may be crystalized on the bank in the future as a liability for breach of confidentiality between the bank and the rightful owners of such accounts.

Haruna, Makama and Ripiye (2015), noted that segregation of duties, authorization and approval and accounting and arithmetical control are very important tools in fraud prevention in an entity. They stated that any institution or setting without these controls is likened to failure. This is because control enables governance to thrive and accomplish its purposes. Their studies and results supported the installation of efficient and effective internal control systems. In the banking sector, the principles of the internal control system is a must. The employment of forensic auditors is a paramount in the banking sector.

Madan (2016), in his study, 'Contribution of Forensic Accounting to Corporate Governance' stated that forensic accounting has come to the limelight due to the rapid increase in financial fraud in many places. He stated that all accounting students need to be aware of the Information Technology (IT).

Eze and Okoye (2019), investigated the effects of forensic accounting and fraud detection in the public sector in Nigeria. Their study concludes that forensic accounting should be encouraged and strengthened in government offices. Ibrahim and Yusuf (2019) in their studies agree with the conclusion of the above studies. They corroborated and recommended that funds should be made available for the EFCC to hire competent forensic accountants to aid the leadership of anti-fraud institutions. Okoye, Nwoye, Akuchi and Onyema (2020), researched the techniques forensic accountants adopts to detect labour fraud in Anambra State in Nigeria. The results of their studies revealed that data mining techniques should be used in detecting such fraud in public offices.

Ojukwu, Ubi, Olugbemi and Emefiele (2020), researched on forensic accounting and fraud detection in Nigeria University of Technology in Cross Rivers State, Nigeria. Their results concludes that there is relationship between forensic accounting and internal control. Their research conclude that forensic accounting should be incorporated into the tertiary school systems to end financial crime. Emmanuel, Deborah and Ogochukwu (2022), investigated the nexus between forensic auditing and fraud management in Port Harcourt, Nigeria. Percentage and Pearson correlation were the techniques or analyses used in the study. Their study concluded that the management of companies should ensure that forensic audits are carried out in their organization at least once in a year. This would help them to prevent white-collar crime in these firms.

RESEARCH METHODS

The study adopted a survey design method which facilitated the structured research instrument to be used in obtaining data for the analysis. This design is used because it gives room for the translation of information to determine the link between the dependent and independent variables. It uses questionnaires to collect the needed data for the study. It is the best method. It ensures that accurate data is collected from the sampled individual staff of the selected banks based on the specific questionnaires, which can be interpreted and generalized to conclusions. Regression analysis and Analysis for variance (ANOVA) were used to analyze the data collected from the respondents. Likert scale involving the use of five points scales were used. They are stated as Strongly Agreed, Agreed, Undecided, Disagreed, Strongly Disagreed.

Population

There are 23 deposit money banks in Nigeria that are listed in Stock Exchange Group.

The study selected 4 out of these banks. The rationale is because of their sizes, assets base and earnings contributions in the banking Industry. They are Zenith Bank Plc with an assets base of (N 10.12 trillion), followed by First Bank Plc (N 9.53 trillion), United Bank for Africa Plc (N 8.99 trillion and Access Bank Plc. (N 13.19 trillion). These are the banks half year report for 2022.

The study population is made up of the staff in the four banks selected who work at their Head offices. The researcher considered a population of 170 staff from the head offices of these banks.

Determination of Sample Size:

This is determined from the population unit of 170 staff of the four selected deposit money banks in Nigeria using Taro Yamens Statistical distribution:

$$\text{Given as } n = \frac{N}{1+N(e)}$$

Where n = Desired Sample size

N = Population size

E = Maximum acceptable margin of error 5% (0.05)

1 = theoretical constant

Sample size computation:

$$\frac{170}{1+170(0.05)^2} = 119.29.$$

Sample size

Names of banks & Accounts	Management	Internal Audit	Risk Analysts	Total
Zenith bank Plc	12	10	6	28
First bank of Nigeria plc	11	11	7	29
United bank for Africa Plc	12	12	8	32
Access Bank Plc	<u>12</u>	<u>10</u>	<u>8</u>	<u>30</u>
Total	<u>47</u>	<u>43</u>	<u>29</u>	<u>119</u>

Survey Researcher (2022)

Method of Data Collection

The researcher used primary data for the research work. Questionnaires were administered to the staff of the four selected banks who were qualified to respond to the questions raised. Their responses were collated and used for the data analysis of this paper. This is economical in terms of costs.

Research Instrument:

The questionnaire was used to gather the data as it relates to the dependent and independent variables. Forensic accounting is the independent variable while fraud prevention, fraud detection and fraud reduction are the dependent variables.

Data Analysis and Interpretation of Results

Table 1

Response Rates	Frequency	Percentage
Returned and used	110	92.44%
Unreturned/incorrectly filled	9	7.56%
Total	119	100.0%

Researcher’s Computation (2022)

Validity of Instrument

The research instrument was validated using face, content and construct validity. For face validity, the instrument was validated by the opinion of experts in the field of study both in the academia and staff of the banks and the researcher’s supervisor. The contributions were used to modify the questionnaire as necessary. Confirmatory factor analysis was done to establish the content and construct validity of the questionnaire using the Varimax Extraction Method. The factor loadings of these items were used to establish the Average Variance Extracted (AVE). Average Variance Extracted (AVE) greater than 0.5 was treated as additional evidence of convergent validity. The content and construct validity of all variables involved in the study were therefore ascertained. The result of the test carried out suggested that the instrument used for evaluation was highly reliable based on the 0.70 benchmarks (Hair, Ringle & Sarstedt, 2011; Serbetar & Sedlar, 2016). The construct and convergent validity as well as reliability results for internal consistency were presented in Table 1.

Table 2: Confirmatory Factor Analysis and Reliability Test

S/N	Variables Coefficient	Cronbach’s Alpha	No of Items	AVF	KMO	Barlett Test	Composite Reliability
1.	Forensic Accounting	0.733		0.524	0.612	0.000	0.821
2.	Fraud Prevention	0.831		0.613	0.827	0.000	0.701
3.	Fraud Detection	0.742		0.728	0.521	0.024	0.823
4.	Fraud Reduction	0.790		0.670	0.500	0.000	0.709

Source: Field Survey, (2022)

Data Analysis, Interpretation and Discussion

Diagnostic Treatment Tests for all Variables

Before the data were subjected to inferential analysis, diagnostic tests were done to ensure that the data did not violate important assumptions of regression analysis. This included normality test

Normality Tests of the Study Variables

The normality of data distribution was assessed by examining its skewness and kurtosis (Kline, 2005). A variable with an absolute skew-index value greater than 3.0 is extremely skewed while a kurtosis index greater than 8.0 is an extreme kurtosis (Kline, 2005). Cunningham (2008) stated that an index smaller than

an absolute value of 2.0 for skewness and an absolute value of 7.0 for kurtosis is the least violation of the assumption of normality. The results of the normality test of the dependent and independent variables indicated skewness and kurtosis in the range of -1 and +1 as shown in Table 2. This implies that the assumption of normality was satisfied. Therefore, the data was found to be suitable for inferential analysis.

Table 3: Normality Test of the Study Variables

Variables	N	Skewness		Kurtosis	
		Statistics	Std Error	Statistics	Std Error
Forensic Accounting	110	-0.614	0.121	0.318	0.102
Fraud Prevention	110	-0.435	0.121	0.331	0.102
Fraud Detection	110	0.510	0.121	-0.512	0.102
Fraud Reduction	110	-0.181	0.121	-0.418	0.102

Source: Field Survey (2022)

Data Analysis, Interpretation and Discussion

Table 4: Model One: Regression Results on the impact of Forensic Accounting on Fraud Prevention of Selected Deposit Money Banks in Nigeria

Model	B	Std Error	Beta	t-Stat	Sig	R ²	F-Value	Sig.	Durbin Watson
Constant	.651	.724		.423	.134	0.352	58.232	0.022	1.923
Forensic Accounting	1.812	.041	.152		3.283	.001			

Dependent Variable: Fraud Prevention

Source: Researcher’s Computation (2022)

Table 3 for hypothesis one, revealed that the coefficient of determination (R²) of 0.352 shows that forensic accounting can only be explained by a 35.2% variation in fraud prevention. However, the model did not explain 64.8% of the variation in fraud prevention, implying that there are other factors associated or variables that were not mentioned in the model. Furthermore, Table 3 also shows the ANOVA result. The result revealed that overall, the explanatory power of the model was considered statistically significant with the F ratio output of the model reporting a p-value of 0.022 (F= 58.232, p<0.05). This indicated that forensic accounting has a positive and significant impact on fraud prevention of Selected Deposit Money Banks in Nigeria. Therefore, this study rejected the null hypothesis one that; **H₀₁**: Forensic accounting has no significant impact on fraud prevention of selected deposit money banks in Nigeria.

Table 5: Model Two: Regression Results on Forensic Accounting has no Significant Impact on Fraud Detection of Selected Deposit Money Banks in Nigeria

Model	B	Std Error	Beta	t-Stat	Sig	R ²	F-Value	Sig.	Durbin Watson
Constant	.721	.831		.568	.023	0.327	32.872	0.014	1.671
Forensic Accounting	2.321	.398	.164	5.387	.023				

Dependent Variable: Fraud Detection

Source: Researcher’s Computation (2022)

Table 4 for hypothesis two, revealed that the coefficient of determination (R^2) of 0.327 shows that forensic accounting can only be explained by a32.7% variation in fraud detection. However, the model did not explain 67.3% of the variation in fraud detection, implying that there are other factors associated or variables that were not mentioned in the model. Furthermore, Table 4 also shows the ANOVA result. The result revealed that overall, the explanatory power of the model was considered statistically significant with the F ratio output of the model reporting a p-value of 0.014 ($F= 32.872, p<0.05$). This indicated that forensic accounting has a positive and significant impact on fraud detection of Selected Deposit Money Banks in Nigeria. Therefore, this study rejected the null hypothesis two that; **Ho2:** Forensic accounting has no significant effect on fraud detection of selected deposit money banks in Nigeria.

Table 6: Model Three: Regression Results on Forensic Accounting has no Significant Impact on Fraud Reduction of Selected Deposit Money Banks in Nigeria.

Model	B	Std Error	Beta	t-Stat	Sig	R ²	F-Value	Sig.	Durbin Watson
Constant	1.351	1.825		1.825	.134	0.428	69.912	0.002	1.713
Forensic Accounting	2.672	1.352	.821	7.139	.011				

Dependent Variable: Fraud Reduction

Source: Researcher’s Computation (2022)

Table 5 for hypothesis three, revealed that the coefficient of determination (R^2) of 0.428 depicted that forensic accounting can only be explained by a42.8% variation in fraud reduction. However, the model did not explain 57.2% of the variation in fraud reduction, implying that there are other factors associated or variables that were not mentioned in the model. Furthermore, Table 5 also shows the ANOVA result. The result revealed that overall, the explanatory power of the model was considered statistically significant with the F ratio output of the model reporting a p-value of 0.002 ($F= 69.912, p<0.05$). This indicated that forensic accounting has a positive and significant impact on fraud reduction of Selected Deposit Money Banks in Nigeria. Therefore, this study rejected the null hypothesis three that; **Ho3:** Forensic accounting has no significant impact on fraud reduction of selected deposit money banks in Nigeria

DISCUSSION OF FINDINGS

Forensic accounting has a significant impact on fraud prevention in deposit money banks in Nigeria. My findings are in agreement with the studies of Ekechukwu, Ugwu and Mba (2018), Ozili (2015) and Enofe (2015) respectively. When frauds are prevented, the resources of the banks are safeguarded and re-invested into lucrative investments. Forensic accounting services are an effective tool in fraud detection in deposit money banks in Nigeria. This finding is in agreement with the studies of Olukowade and Balogun (2015) and Madan (2016) respectively. Forensic accounting has a significant impact on fraud reduction in deposit money banks in Nigeria. This is supported by the study of Agbaje and Adeniran (2017) and Oladejo and Oluwaseun (2015) which noted that the application of forensic accounting services, has led to the reduction of fraudulent activities in the banking sector.

CONCLUSIONS AND RECOMMENDATIONS

Forensic accounting tools have significant impact on fraud prevention in Nigeria’s banking sector. Forensic accounting is a strong tool in fraud detection. Its application in the financial sector would improve

fraud prevention, detection and reduction. This study submitted that financial pressure makes people commit fraud in the Banking Sector. This is in line with the fraud triangle theory. The study upholds the fraud triangle theory and white-collar crime theory. The force for fraud is accumulated financial pressures from different angles. Individuals and managers can be under pressure and this would lead them to commit fraud. Therefore, it is one of the key factors that lead people to fraud. The provision of litigation support to the court for fraud-related cases that deal with banks and their directors would help the banks to recover depositors' funds and serve as a deterrent to would-be fraudsters. This study therefore recommended as follows: The regulatory authorities in the financial industry should make it a policy and a requirement for all banks in Nigeria to have a forensic unit or department that would be in charge of overseeing their operations and beyond to ensure that frauds are prevented and detected. Fraudulent bank staff who are chief architects of fraud in the banks should be prosecuted and forensic experts should be hired to provide litigation support to ensure that the culprits are prosecuted. They must not escape the full wrath of the law. The management of banks should tighten their internal control systems. The banks should ensure that digital forensic measures are put in place to prevent crime. These measures must be monitored and changed when necessary.

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