

Forensic Audit and Investigations in Nigeria Public Sector: A Literature Review Approach

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ABSTRACT

Forensic auditing had a camera upon which several unnoticed crimes could be unveiled in most organizations. No sector could boast of not having been touched by the wave of emerging crimes that are not known to conventional crimes. The Nigerian public sector is of interest considering the waves of fraud, mismanagement, and abuse of power office that have resulted in the misuse of public funds and which ordinarily would have been exposed using the expertise of forensic investigations auditing and investigations. The Nigerian National Petroleum Corporation (NNPC) under the watch of a former minister was investigated for misappropriations that an ordinary audit could not reveal (Oluwafemi, 2023); the former accountant-general of the federation (Harrison, 2022); and several others. The contemporary issues around Nigerian forensic audit has been recorded majorly in the public sector with several events requiring the increasing demand for forensic auditors. This research paper discussed some of the challenges that forensics auditors and investigators face in the profession and possible strategies to overcome them. The research concluded that while forensic auditing and investigation practices have continued to evolve in Nigeria, it is not properly institutionalized as a result of a lack of regulations surrounding the practice, and no standardized methodologies or frameworks that have been tailored to the Nigerian business environment. Data analytics, big data, blockchain technology, and AI are currently discussable in the field of forensic auditing and investigation and are still a challenge to Nigerian professionals as not only does the field lack professionals, but it equally lacks the understanding and the usefulness of the use of modern technologies.

Keywords: Forensic, Auditing, Investigation, Fraud, Bitcoin, Artificial Intelligence

INTRODUCTION

Forensic auditing and investigation over the years is viewed as the camera for detecting crimes not opened to traditional/conventional audit activities (Ijeoma, 2015). The process and procedures of revealing these misappropriations around an organization's assets and activities have led to the death of many known giant companies and other corporate failures including, but not limited to Eron. According to Kennedy and John (2017), the outcome of forensic audits and investigations had shown “the financial sector as the worst hit in recent times with the different styles or systems of financial crimes” (Kennedy & John, 2017) not within the knowledge of conventional auditors. The Eron story is still on practicing accountants' and auditors' lips and is a test for even accounting students and non-practicing accountants several years after the crime was committed arising from how “leadership fooled regulators with fake holdings and off-the-books accounting practices”(Troy, 2022), activities that conventional audit failed to detect.

In Nigeria, there are several unproven stories of how banks and public sectors had nose-dived due to the misappropriation of funds and the ineptitude of the conventional auditing system. In the Nigerian public sector, case studies include the Nigerian National Petroleum Corporation (NNPC) as it references the misappropriations of assets under a previous government (Oluwafemi, 2023); a former accountant-general of the federation (Harrison, 2022); and several others. The contemporary issues surrounding Nigerian forensic audits have been recorded mostly in the public sector with events pointing to the increasing demand for forensic auditors.

Forensic auditors are professionals in auditing and investigative accounting with the expertise in detecting, preventing, and estimating the quantum of misappropriations, fraud, and errors more effectively than their conventional counterparts. Their primary role includes combating and estimating the cost of fraud and errors by applying model developments in technology and investigative techniques. A study by the Association of Certified Fraud Examiners (ACFE, 2012), stated that worldwide, “organizations lost approximately 5% of their annual revenues to fraudsters.” This will be mind-blowing when you put together the value of revenues made by all organizations in the world (ACFE, 2012). It points to the fact that fraud, errors, or misappropriations is a deterrent to economic development. However, with trained forensic auditors and investigators, the application of modern technology and investigative techniques in forensics, as well as decisive appointments, the enormity of the misappropriations, fraud, and errors will be reduced, if not eradicated. But, the questions are: Is Nigeria ready to go this length in ensuring that misappropriation is reduced or eradicated in its public sector? What steps are they taking to ensure that the right application of knowledge and technology is adopted in fighting this menace?

1.1. Purpose of the Research Paper

The primary impetus for this study is to contribute to an increased appreciation of the significance of forensic audit and investigation in the prevention, detection, and investigation of fraud and corruption in the Nigerian public sector. To achieve this, the paper will discuss some of the known challenges faced in forensic practice in the Nigerian public sector and the possible strategies for overcoming those challenges. Although a global issue, the emphasis on Nigeria is due to the endemic nature of misappropriations of resources in the country’s public sector, and while it may be advisable to enlist the services of forensic auditors in the investigation of crimes or detection of potential misappropriations that may evade the eyes of traditional auditors both in government parastatals or practitioners. References are made in this study presenting a forecloseable stance for the need of forensic auditors toward recovery of misappropriated assets and possibly punishing the offenders/adjudged culprits. As more germane as this may be, the misappropriation of assets has remained the outright reason why the country is still in the sorry state of affairs to this day. According to Ahmad, et al (2015), “with the country losing over NGN104.5 billion between 2005 and 2007”, professionalism and integrity are what is required to carry out a forensic investigation and uphold the fight against the level of misappropriation in the country. Another motivation for the undertaking of this research is to understand the awareness level of the skills and techniques involved in conducting a forensic audit among accounting professionals. This arises from the varied options available to the users of auditing services to be able to make an informed decision in terms of their audit needs. It is only when this is achieved that the auditors could be said to have provided a reasonable or appropriate level of service necessary to meet the needs and possible expectations of the clients.

CONCEPTUAL REVIEW

2.1. The Concept of Forensic Auditing and Investigation

Forensic auditing and accounting are words used interchangeably. Scholars have not attempted to differentiate both as they assumed it is the same thing. Dahli (2008) opined that “forensic” originated as a Latin word which is “public” or “forum” when translated. Taken constructively, the forum signifies the gathering of accountants in the ancient Roman empire. The accountants then sit in meetings or gatherings to discuss and resolve issues about finances and the economy. This supports the meaning of the term forensic auditing as “the application of knowledge to legal issues” (Adams, 2020; Rechtman, 2020).

Following the rise in the complexity of business transactions arising from the unprecedented growth in today’s business environment, misappropriations, frauds, and errors/irregularities have become the order of the day developing in this phase as the various technological improvements and techniques are introduced into doing business, giving rise to various financial scandals. With these developments, forensic audits and investigations have become a popular field of study as businesses attempt to discover processes to curtail the upsurge of crimes impacting every business process (Adams, 2020). The current spate of financial crimes has risen beyond just money laundry and ordinary misappropriations of funds. With this development, forensic accountants are now trained in business operations as watchdogs using emerging business techniques and modalities to ensure that fraud and other financial criminality are curtailed accordingly. So the field is developed as a response to curtail

emerging fraud-related cases (Kennedy & John, 2017; Crumbley, 2003), particularly in the public sector environment. The study by Kennedy and John (2017), examined how effective forensic accounting is in the control of financial fraud, and concluded that there is an agreement on the effectiveness of forensic accounting in fighting financial crime which follows an investigative procedure to unearthing fraudulent financial activities. The study further stated that with technological advancement in business practice, forensic auditors are charged “to bring about successful investigation and prosecution of those individuals involved in criminal activities” (Kennedy & John, 2017).

The relationship between forensic accounting and investigation and its role in bridging the audit expectation gap in the public sector of Nigeria (emphasis on Nasarawa State) was examined (Dauda & Abubakar, 2020). The study found the existence of a significant relationship between forensic accounting and investigation services and the responsibility of auditors to provide reliable accounting information. The study further revealed that forensic accounting and investigation services will deepen and improve fraud investigations and detection as it strives to close the audit expectation gap in the Nigerian public sector environment. However, this will be dependent on the government’s willingness to promote the adoption of forensics investigation into its activities and toward investigating corrupt practices of public officers in Nigeria.

A study on forensic accounting and fraud detection in Nigerian Universities (a study of Cross River State University of Technology) by Ojukwu, et al., (2020), concluded that there is a significant relationship between forensic accounting and financial fraud detection, financial reporting, and internal control/audit. With empirical evidence, the study uses a desktop approach and a review of existing literature to recommend that the “eradication of economic and financial crime through the adoption of forensic accounting in the system will improve the image of institutions under review. It also recommended that government and regulatory authorities should ensure the provision of standards and guidelines to regulate forensic activities and above all, Nigerians should embrace integrity, objectivity, fairness, and accountability in their day-to-day activities” (Ojukwu, et al., 2020).

Emma and Akambi (2009) see forensic auditing as a “tripartite practice of utilizing accounting, auditing, and investigative skills to assist in legal matters.” Sarkar (2010), said it generally involves the use of “specialized knowledge and investigative skills possessed by accountants to collect, analyze, and evaluate data and evidential matter”, in performing investigations and communicating findings to the board or providing evidence in a courtroom or administrative setting. However, it must be realized that not all the outcomes of a forensic audit and investigation must necessarily be a matter of courtroom determination. Nevertheless, forensic audit services include litigation support, bankruptcy support, fraud and special investigations, and dispute resolution, among many others (Sarkar, 2010). Forensic accountants, therefore, require adequate accounting knowledge and investigative skills to detect the existence of fraud (Stephen, et al, 2022).

Investigation is a systematic, inquisitive, and thorough attempt to find all of the facts and circumstances surrounding a crime, an act of a nature proscribed by statute, or an act harmful to the state. It is derived from the Latin word *vestigere*, to “track or trace.” (Gunter & Hertig, 2005). Oyedokun (2015), stated that an investigation “is a detailed verification and clarification of doubt about a transaction or event”. An investigation is a key aspect of forensic accounting and auditing, though its application is only in transactions or events that are beclouded with secrecy. An investigation is only applied when there are cases of fraud or suspected fraudulent activities with the preparedness of the specialists to unravel the identity of the person or persons involved, as well as determine the cost of damage. The process is usually formal and involves a thorough examination of evidence, that could result in unearthing facts or relevant information. However, an investigation could be complex, where there are various layers to a crime and this includes white-collar crimes. In many cases, an individual may be less inclined to engage in criminal behavior if he or she knows there is a high risk of being caught. A white-collar criminal can feel relatively safe if he or she does not fear investigation. This fear of investigation is fostered by the growth of forensic accounting, which has increased the likelihood that a white-collar perpetrator will be caught.

Forensic accounting investigations should be a central tool in the deterrence of white-collar crimes and an important weapon in the fight against them. Generally speaking, the goal of the forensic investigation is to discover the evidence that results in a successful legal action. The evidence uncovered should conclusively prove

or disprove a given set of allegations, must be admissible in a court of law, and should be relevant to the alleged act or acts. The requirements of proof in a criminal case are very high; guilt must be established beyond a reasonable doubt concerning every element of the offense. In other words, nothing less than conclusive evidence will suffice. The high evidential requirement leads directly to the standard of the investigation itself, which needs to be thorough, systematic, detailed, and meticulous.

2.2. Historical Overview of Forensic Accounting/Auditing

Forensic accounting/auditing became a known approach in financial theory as a result of the implications and causes of fraud and other errors made by humans. According to Ojukwu, et. Al, (2020) forensic auditing/accounting is quite new and gaining prominence in Nigeria due to the recent realization and importance of a forensic examiner in fraud cases. The role is played in the public sector by the Economic and Financial Crime Commission (EFCC) and the Independent and Corrupt Practices Commission (ICPC) – both organizations short-staffed with accountants in their numbers considering their importance in the applications of financial skills and investigative mentality to unraveling issues, conducted within the context of the rules of evidence (Ojukwu, et al, 2020).

The development of forensic auditing could be said to have become encapsulated in less than a century ago following distortions to the stewardship roles of managers and an increase in financial frauds. Major credit could be given to the work of Donald Cressey and Edwin Southland, who coauthored *Principles of Criminology* wherein the term “fraud triangle” was used. According to Rechtman (2020), the concept of the fraud triangle has become pervasive and “governs much of the work that is required of auditors” with regulations becoming a guiding principle to the basic understanding of fraud. With increasing financial crimes and the advent of blockchain technology, forensic auditing is now a specialized skill and broader in scope (Yigal, 2020). The increase in auditing requirements arose from the collapse of public companies such as Enron and WorldCom and ultimately led to the need for antifraud specialists and leaders to understand and implement internal controls (Rechtman, 2020). As financial crimes keep increasing or evolving, the requirement for forensic accounting and auditors will be greater going forward.

The changes in the practice and application of forensic accounting as a specialized field leave room to grow. The demand for forensic auditing and investigation of issues has become a norm in Nigeria today, considering the influence that it is having on fraud detection and correction. Recent and recorded financial frauds in various ministries, departments, and agencies (MDAs) e.g. the issues against the ex-Central Bank of Nigeria (CBN) Governor – Godwin Emefiele (2023), ousted Accountant-General of the Federation – Mr. Idris Ahmed (2023), Minister of Humanitarian Affairs – Dr. Betty Edu (2024), Dieziani and the Nigerian National Petroleum Corporation (NNPC) (2015), etc; requires the services of forensic auditors and fraud investigators. While forensic auditing and investigation services may be performed by non-accountants and accountants in various positions, the leverage rests on licensed and qualified accountants.

Professional forensic auditing has evolved since the mid-1990s as a response to regulations to counter financial fraud in both the private and public sectors. The requirements are becoming a known field in most organizations and financial markets leading to the development and advancement of the profession by professional accounting institutions. With this development, asset misappropriation is now defined within the purview of specialists, promoted in particular by the ascendancy of the Association of Certified Fraud Examiners (ACFE) in 1987 (Rechtman,2020). As time travels, “fraud investigation, damage calculations, and expert testimony have evolved, specialized, and extended beyond the scope of audit or compliance”(Rechtman,2020)., with universities now offering courses on the field. As the profession evolves, the influence of technology, electronic discovery, big data, data visualization, blockchain technology, etc., have become the latest additions to the diary of forensic accounting and auditing.

As stated earlier, the complexity of the business and legal requirements in Nigeria is a precursor to frequent disputes and litigation, most returning with negative outcomes. Regarding these situations, the assessment of the nature and requirements of forensic audit skills is considered to be very vital for Nigerian auditors who will often find themselves providing audit services to support a dispute or litigation matters.

2.3. Forensic Accounting/Auditing, and Investigation – What is the Difference?

The differences between these terms – accounting/an audit and an investigation are often subtle; however, the outlook and the focus of each are significantly different. Even when an investigation is seeking to establish whether there are sufficient grounds for a claim to be brought or in the case of a regulatory investigation, it is not uncommon for the assessment to start with what would in effect be an audit. This can occur in an investigation into alleged fraud, where the investigators seek to establish whether the subject's lifestyle is consistent with his known income. There is a common perception that an audit is always a routine activity that comes into play every year, this is not always the case, and increasingly we are seeing audits being commissioned to investigate specific issues, perhaps in response to an allegation made. The lines can become blurred between an investigation and an audit. This article focuses on the different typical objectives of the two activities.

With the surge of the field of forensics, many auditors, even in the pure sciences have given different meanings to the term depending on their understanding and the acceptance it has gained in their area of study. Also, the terms – forensic accounting, auditing, and investigation have been used interchangeably even in this article. Therefore, an attempt is hereby adjudged to give a differentiation in the terms as used in different academic publications.

While forensic accounting is suitable for the court which will form the basis for discussion, debate, and ultimate dispute resolution, Howard and Sheetz (2006) in Ejike (2018) said it is the process of interpreting, summarizing, and presenting complex financial issues clearly, succinctly and factually often in a court of law as an expert witness. Bolgna and Linguist (1995) defined forensic accounting as the application of financial skills and an investigative mentality to unresolved issues, conducted within the context of the rules of evidence. Manning (2002) also defined forensic accounting as an application of skills from financial accounting and auditing to a standard acceptable by the courts, to address issues in dispute in the context of civil and criminal Litigation. Forensic auditing is a specialized form of auditing that focuses on exposing potential financial irregularities or fraud. Forensic auditors may be called upon to investigate specific transactions or to conduct comprehensive audits of an organization's financial records to identify areas of risk or potential fraud.

The definition given by Damilola and Olafinsola (2007), tends to combine the skills from both forensic accounting and auditing. The article sees forensic accounting as the application of criminal methods and integration of accounting investigative activities and law procedures to detect and investigate financial crimes and related economic misdeeds. The combination of financial and investigative skills is forensic accounting, auditing, and investigation skills. To them, forensic accounting is a highly technical and specialized area of practice within the principles and ethics of the accounting profession. However, a breakout exists in their research where they opined that “it is not every forensic engagement that ends up in the court of law” (Damilola & Olafinsola, 2007). Graves, Idaminabo, and Ngbowagi (2012) brought the whole term together when they said “forensic accounting” is “the comprehensive view of fraud investigation, including the audit of accounting records to prove or disprove fraud; the interview of related parties and the act of serving as an expert witness” and concluded that “forensic accounting is an auditing by another name”. This definition of the authors explains the complimentary use of the terms which invariably could be taken as the same meaning.

This research aligns with the definition/explanation given by Graves, Idaminabo, and Ngbowagi (2012) as we agreed with the fact that both terms are used interchangeably even though they mean the same thing. Forensic accounting or auditing is a tool that can be used to reduce and check corruption and fraud. It has been defined as 'an audit with a law enforcement slant' (Ejike, 2018) even though we may not necessarily agree to all forensic investigations being a subject matter in a court of law. In the context of the public sector, it is an aid to help reduce and checkmate fraud and corruption (Ojukwu, et al, 2020). Due to the nature of forensic auditing, it could be taken as an important and effective tool against corruption and fraud.

2.4. Forensic Auditing in the Nigerian Public Sector

It is important to mention that forensic auditing is the fastest-growing section of the accounting profession. The Nigerian public sector had keyed into adopting the profession to create some elements of integrity and trust among the people. With the avalanche of fraud issues recorded in the sector annually, adopting forensic

accounting practice will be a step in the right direction when deducing a legal definition and criteria for punishing offenders accordingly.

Dauda and Abubakar (2020) defined the public sector as organizations that are publicly owned, established, operated, and funded by the government. These organizations include public interest entities that are not profit-oriented and are under government control. Mismanagement and corruption have been the bane in the Nigeria Public Sector. The sector has been the worst hit with reports of corruption and financial crimes said to be perpetrated by high-profile individuals in the government. According to Ahmad, et al (2015), corruption in Nigeria is usually widely reported as it has attracted various forms of criticism. The research stated that the country had lost over ₦105.4 of taxpayers' funds to corruption between 2006 and 2007. Mentions have been made of Diezani, Maina (alleged role in a ₦195 billion pension fraud) (Dailytimes NG, March 9, 2013, cited in Ahmad, et al, 2015), Idris (Accountant General of the Federation – over ₦80 billion), and now Emezie (ex-CBN Governor). These cases of corruption have reduced the country to shambles as it grapples to meet economic realities.

Dauda and Abubakar (2020) listed the forms of these crimes to include outright theft, billing and invoicing, abuse of public assets, cash skimming, reimbursements of expenditures, payroll tampering, procurement, “budget padding”, among others, while Ahmad, et, el (2015) provided various reasons for engaging in financial crimes which are categorized into greed and need. Wuerger, (2009), cited in Dauda and Abubakar (2020) sees Public Sector Accounting as “recording, communicating, summarizing, analyzing and interpreting government financial statements and statistics in aggregate and details; which is concerned with the receipts, custody and disbursement and rendering of stewardship of public funds entrusted”, there may be, therefore, an urgent need to equip the Economic and Financial Crime Commission (EFCC) and the Independent Corrupt Practices and other related offenses Commission (ICPC), with trained forensic experts to be able to carry out an investigative and monitoring functions on the activities of the government as it pertains to “rendering stewardship of public funds” considering the avalanche of crimes committed in the public sector and against the public funds (Dauda & Abubakar, 2020).

The various difficulties being faced in acutely fighting against the endemic degrees of corruption in the Nigerian public services have been adjudged to be political and lack of tried expertise which had remained unaddressed by the government. Forensic accountants' training involves looking beyond the numbers and dealing with the commercial or substance of every reported scenario to unearth the root causes with facts and figures ready to defend the issues before a court of competent jurisdiction. The use of forensic experts in the public sector to unravel crimes and corruption antecedents can only be attainable using improved data gathering and “quality alternative research in accounting which shall significantly impact the investigative procedure of fraud and financial crimes in the public service” (Dauda & Abubakar, 2020).

2.5. Theoretical Framework

Several theories exist, that buttress the study of forensic accounting/audit and investigations and how it could be vital in the management of an organization. The “White-collar crime theory” as propounded by Sutherland in 1939 supports this study. According to Oyedokun (2022), white-collar criminals are opportunists, who only take advantage of their positions to amass financial gain. White-collar crimes are committed by an unsuspecting individual who is respectable with the organization who because of advantage utilizes such to perpetrate crimes (Sutherland 1949, cited in Oyedokun, 2022). The crimes happen only because citizens/individuals do not monitor or fail to call for accountability. Ahmad, et al (2015) noted that crimes arise from the needs and greed of the perpetrators. As a result of the nature and chain of involvement of the crimes, Obiora, et, al (2021) stated that only a skilled and professional accountant, can deduce the impact and nature of such crimes or prevent them from happening. This theory aligns with the Fraud Diamond Theory of the four observable traits of committing fraud viz authoritative position, capacity to understand and exploit accounting systems and internal control, confidence, and capability (Oyedokun, 2023).

Another supporting theory is the “Policeman theory”, which arises from the misconception or the audit expectation gap. According to Israel, et al (2024), auditors' duty in this century extends beyond searching for, discovering, and preventing fraudulent activities. The role of the policeman in auditing is played by the forensic

experts whose duty it is to reveal the crime as perpetrated and ensure it presents facts and figures in the court for the prosecution of offenders.

The agency theory of stewardship created a principal-agent relationship, wherein the agents must account for every resource placed in their hands to ensure the profitability of the business and improvement in the shareholder's wealth. The theory polarizes the need to have a “third party in the principal-agent relationship” to serve as a guardian and protector of all investments by the principal (Ahmad, et al, 2025). The unsuspecting disposition of the principal explains the need for a forensic accountant or auditor in the chain of events to ensure adequate protection of the shareholders' funds.

TYPES OF FORENSIC INVESTIGATIONS

Fraud detection is an essential aspect of any forensic audit or investigation. Kranacher and Riley (2023) highlighted the importance of proactive management and prevention of occupational fraud and abuse, and this can be achieved through the education of the case managers on the types of fraud and the circumstances under which fraud occurs.

Oyedokun (2020) categorized forensic investigations into accounting investigations, identity theft investigations, financial investigations, insurance fraud investigations, corporate fraud/forensic investigations, workers' compensation investigations, money laundry investigations, information theft investigations, and general fraud investigations. However, it is vital to understand the various categorizations of fraud before commencing the investigation into the root causes.

The core categorizations of forensic investigations differentiate crimes into:

- a). External:** It is committed by individuals who do not have an affiliation to the organization except only being related to crimes. Fraud committed in this instance could be identity theft or hacking of the organization's system to obtain information.
- b). Internal:** These are crimes committed by staff/members of the organization. It includes corruption, theft, misuse or misappropriation of assets, financial statement/accounting manipulation, money laundry, etc.
- c). Collusion:** It involves the use of both internal and external processes or machinery fraud commission (Oyedokun 2020).

CHALLENGES TO FORENSIC AUDITING AND INVESTIGATION IN NIGERIA

Cybercrime and digital forensics are new frontiers in forensic auditing. This centers around crimes committed using the computer as a tool and the internet as a medium, a process known as traditional crime. The scope of cybercrime is on the rise with a loss of over \$100 million in Nigeria between 2012 and 2013 (Ajah & Chukwuemeka, 2019; Mu'azu, 2022). There are various forms of cybercrime, with the most common being the 419 emails and dating scams. Technology is changing the trend of investigations into crimes and fraud in the world. Nigeria is not an exception as fraudsters tend to utilize the available technological invention to gain undue influence in areas where their act are exhibited. The process of investigations of crime today involves understanding the systems and the magnitude of the crime committed. Nowadays, fraud and financial crime have become a complex and pervasive issue for organizations, irrespective of size and location. “Fortunately, advanced technology and artificial intelligence (AI) have emerged as invaluable tools in the fight against malfeasance”(JS Held LLC, 2023). Forensic accountants in investigating various crimes need to combine their traditional accounting principles with an understanding of data analytics, big data mining and computation, bitcoin and cryptocurrencies, sophisticated algorithms, data analytics, and machine learning capabilities, to identify anomalies in vast amounts of data and normal cause of business, and detect unwanted transactions within the sequence. Advanced technology and AI integration aid forensic investigations as well, as support compliance with regulatory standards, invariably producing robust and effective fraud detection and prevention strategies.

JS Held (2023), maintained that technology is just a mere conversation piece if the right professionals do utilize

it to achieve the desired aim. As experts, with the requirements to give an in-depth understanding of fraud-related matters, the use of modern tools helps in actionable intelligence using advanced technology, forensic accounting, and other fact-finding disciplines. Oyedokun (2020) provided various terminologies in the digital forensic space that are purely based on computer knowledge. Blockchain technology and the Internet of Things (IoT), have proven to bring great benefits to forensic auditing and investigation, thereby making it easier to deep-dive into areas that may seem difficult using traditional auditing and investigation approaches to ascertain the level of fraud/crimes committed (Clement, et al, 2021). Without an understanding of the layers of technology, forensic accountants create stumbling blocks to the progression of forensic accounting in preventing and detecting fraudulent activity.

Since the creation of the ICPC and EFCC, there has been a drive to hire qualified investigators to fill the new roles at these agencies (Lukman, 2020; Mike, Okpe, & Abu, 2022). The evolution of these agencies, as well as the increased complexity of schemes of fraud and corruption in Nigeria (Onuigbo & Okechukwu, 2015), means that there is a pressing need for professionals who possess specialized skills. This lack of skills and professional experience has been identified as a key hurdle in the fight against corruption in Nigeria. The lack of skilled professionals is a complex issue that has many causes and will be difficult to overcome; however, it is essentially a symptom of the larger problems facing the Nigerian auditing industry.

There is no universal law governing forensic investigation. Powers are often contained within the instrument creating the body or within the legislation, which sets out the body's functions and authority. Organizations such as the EFCC have authority separate and distinct from police officers and other law enforcement agents to search, seize, detain, and retain property including funds in bank accounts (EFCC Act 2004: Section 38). The EFCC may search and detain property when it has reasonable cause to suspect it is from the proceeds of a crime under S34 of the EFCC Act 2004. This compares with the Criminal Procedure Act 2009, which provides that property suspected to be unlawfully obtained, may be retained by law enforcement agents but may not be disposed of or dealt with until the conclusion of criminal proceedings, where the property is returned to the person from whom it was seized, or detaining the property is set aside by a Court (CPA ss 6, 7, 9, and 10). In essence, forensic investigators in Nigeria have broad powers to seize and retain property without having to meet the stringent conditions followed by law enforcement agents. This has the potential to lead to investigations based on the instrumentalities of obtaining evidence.

CONCLUSION

The study shows that while forensic auditing and investigation practices have continued to evolve in Nigeria, they are still not well institutionalized as evidenced by the lack of regulations surrounding the practice of forensic auditing. Also, there seem to be no standardized methodologies or frameworks that have been tailored to the Nigerian business environment. While the ICPC and EFCC tend to be involved in investigations, this study opined that there is a dearth of accounting professionals in the organizations even though there may be high requirements for them, arising from political factors and lopsided recruitment processes, with the understanding of what holistic forensic auditing stands for and the modes operandi for carrying out knowledge and practical-based forensic investigations.

The contemporary issues in forensic – data analytics, big data, blockchain technology, and AI are currently discussable in the field of forensic auditing and investigation. While there is a dearth of professionals, the lack of understanding of these technologies and their usefulness has impeded the growth and development of the field in Nigeria.

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